

REPORT ON THE IMPLEMENTATION OF THE 2020 PLAN
FOR NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT
AND ON THE 2021 DRAFT PLAN FOR NATIONAL
ECONOMIC AND
SOCIAL DEVELOPMENT

*Delivered at the Fourth Session of the 13th National People's
Congress
on March 5, 2021*

National Development and Reform Commission

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

Esteemed Deputies,

The National Development and Reform Commission has been entrusted by the State Council to deliver this report on the implementation of the 2020 plan, and on the 2021 draft plan for national economic and social development to the present Fourth Session of the 13th National People's Congress (NPC) for your deliberation and approval. The Commission also invites comments from members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

1. Implementation of the 2020 Plan for National Economic and Social Development

Last year was an extraordinary year in the history of the People's Republic of China (PRC). Faced with a grave and complex international situation, the challenging tasks of advancing reform and development and ensuring stability at home, and the severe impact of the Covid-19 epidemic in particular, the Central Committee of the Communist Party of China (CPC) with Comrade Xi Jinping at its core, while keeping overall national interests in mind, maintained a strategic focus, judged situations accurately, formulated meticulous plans, took decisive action, made arduous efforts, and promptly adopted the major policy of coordinating epidemic prevention and control with economic and social development.

Under the guidance of Xi Jinping Thought on Socialism with Chinese

Characteristics for a New Era, all regions and departments fully implemented the guiding principles of the 19th CPC National Congress and the second, third, fourth, and fifth plenary sessions of the 19th CPC Central Committee. In accordance with the decisions and plans of the Party Central Committee and the State Council, we faithfully implemented the Report on the Work of the Government and the 2020 Plan for National Economic and Social Development approved at the Third Session of the 13th NPC, and adopted the NPC Financial and Economic Affairs Committee's suggestions based on its review of the 2020 plan.

We responded to risks and challenges with composure, and continued to pursue high-quality development. We coordinated the Covid-19 response with economic and social development, and took solid steps to ensure stability on six key fronts and maintain security in six key areas.¹

China's economy saw a quarter-on-quarter improvement and gradually returned to normality, constituting the sole major economy to have realized positive growth. We achieved a complete victory in the battle against poverty, and scored decisive achievements in securing a full victory in building a moderately prosperous society in all respects, delivering a globally-acclaimed performance that satisfied the needs of the people and that will be recorded in the annals of history.

1. We put the health and safety of our people before all else and saw

¹ 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.

major strategic achievements in the fight against Covid-19.

Faced with the sudden and severe challenges posed by Covid-19, General Secretary Xi Jinping personally took charge, planned our response, and unified the Chinese people of all ethnic groups in rapidly launching an all-out people's war to contain the virus. In just over a month's time, we had largely contained the spread of the virus in China. In roughly two months, we had reduced the daily number of new local cases to single digits. And in approximately three months, we had secured a decisive victory in the battle to defend Hubei Province and its capital city Wuhan. After this, we effectively dealt with a number of local outbreaks and sporadic cases.

1) No effort was spared to control the epidemic and treat patients.

We coordinated the efforts of the whole country in accordance with the general requirement to stay confident, stand united, and adopt both a science-based approach and targeted measures. A central leading group for coordinating the epidemic response was established and a central guidance team was dispatched to Hubei. Full play was given to the functions of the State Council interdepartmental task force. The entire country was mobilized in the fight to protect Hubei and Wuhan and to curb local transmission of the virus. We gave clear guidelines for the early detection, reporting, isolation, and treatment of cases, and mandated that patients be treated in designated facilities where the best doctors and medical resources were concentrated. We ensured that all treatment-related costs were borne by the state, and worked to raise hospital admission and recovery rates and to bring down infection and mortality rates.

We carried out an interdepartmental and society-wide epidemic prevention and control effort. One after another, provinces, autonomous regions, and municipalities directly under the central government activated level-one responses to this major public health emergency. Officials were dispatched to communities to ensure effective local epidemic control, and social organizations of all kinds, specialized social workers, and volunteers received the guidance required to provide epidemic control and social services in accordance with the law and in an orderly manner.

We took firm steps to guarantee medical supplies and to stabilize the supply and prices of daily necessities. We quickly ramped up the production of face masks and other medical protective materials and medical equipment, and added more hospital beds, thereby ensuring that epidemic control needs were essentially met. We did everything possible to ensure the well-coordinated allocation of labor in key production areas to guarantee stability in the supply and prices of grain, cooking oil, and other foods such as meat, eggs, vegetables, and milk. Various measures were taken to maintain the security and stability of energy supplies, and to ensure safe medical waste and wastewater disposal.

We coordinated scientific research with clinical treatment and prevention and control work, speedily developed nucleic acid testing kits, accelerated both the selection of effective medicines and vaccine development, and began vaccination using domestically produced vaccines. In so doing, we fully leveraged the role of science and technology in our efforts to contain the epidemic.

In response to the rapid spread of the epidemic around the world, and while still guarding against the risk of inbound cases, the Chinese government provided care and support for overseas Chinese nationals and arranged temporary flights to support the orderly transit of Chinese citizens facing difficulties abroad back to China.

2) There was no let-up in routine epidemic control efforts.

As the situation evolved, we shifted the focus of our national response to guarding against inbound cases and domestic resurgence, and changed from an emergency response mode to one of routine epidemic control. We developed routine mechanisms for rapidly detecting and handling cases, for taking targeted measures to suppress resurgence, and for providing effective treatment. Substantial utilization of modern information technologies and the widespread introduction of health code verification allowed for continuous improvement in the precision of routine control work, thus helping to maintain regular production and daily household activities.

Faced with a domestic resurgence characterized by sporadic local outbreaks, we continued to apply differentiated response measures tailored to different localities. Targeted adjustments were made to the risk levels of different regions, while epidemiological investigations and the use of big data for tracing infections were launched as rapidly as possible. We focused on discovering and strengthening weak links, continuously improved our nucleic acid testing capacity, and strengthened prevention and control in key areas such as cold-chain logistics.

Box 1: Coordinating the Covid-19 Response with Economic and Social Development

<p>Differentiated Response Measures Tailored to Different Localities</p>	<ul style="list-style-type: none"> • A differentiated prevention and control strategy for different areas and different risk levels was formulated. Normal work and life were restored in low-risk areas. In medium-risk areas, restoration of work and production activities was contingent on the nature of the local epidemic situation, while in high-risk areas efforts were focused on ensuring effective prevention and control.
<p>Unified Allocation of Medical Supplies</p>	<ul style="list-style-type: none"> • A mechanism was established to ensure the unified allocation of face masks and other key medical supplies nationwide. Follow-up allocation inspections were carried out, and the provision of medical supplies to Wuhan and other key areas was guaranteed. • Production capacity, output, and exports of face masks were all significantly increased. • National daily face mask production capacity exceeded the 100 million mark at the end of February, the 200 million mark at the end of March, and the 1 billion mark at the end of April.
<p>Provision of Supplies</p>	<ul style="list-style-type: none"> • A combination of measures were adopted in order to increase the supply and stocks of goods, ensure their production and transport, and maintain both the stability of the market and expectations, and to guarantee supplies of grain, cooking oil, vegetables, meat, eggs, milk and other daily necessities in Wuhan and other key areas. • We strictly implemented the system in which provincial governors are held responsible for food security and municipal mayors are held responsible for non-staple food supply, guaranteed adequate food supplies, prevented rapid price rises, and ensured that the basic needs of people experiencing financial difficulties were met. • We actively promoted a coordinating mechanism for ensuring the supply of electricity, natural gas, coal, and

	<p>other energy resources in order to guarantee energy use for both the epidemic response and day-to-day activities.</p>
<p>Addressing Weaknesses in Public Health</p>	<ul style="list-style-type: none"> • The Plan for Improving the Public Health Emergency Supply System and the Plan for Strengthening Prevention, Control, and Treatment Capacity in Public Health Risks were published. • The central government provided almost 40 billion yuan to the front lines to support epidemic control and patient treatment, thus providing effective support for routine local Covid-19 containment efforts.
<p>Resumption of Work and Production</p>	<ul style="list-style-type: none"> • Bottlenecks affecting the movement of labor and goods were resolved, as the resumption of work and production was coordinated between different links of the industrial chain. • A total of 90 policies and measures in eight categories were adopted to help enterprises restore normal production. • We strengthened the review of policy effectiveness and promoted successful practices.
<p>Agricultural Production</p>	<ul style="list-style-type: none"> • Daily production scheduling for key phosphate and compound fertilizer plants was initiated. • Coordinated efforts were made to provide green channels for the transportation of agricultural supplies. • Spring sowing began on time, autumn grain purchases were carefully organized, and the comprehensive development of livestock and aquaculture farming was promoted.

3) International cooperation in combating the epidemic was promoted.

China has acted in an open, transparent, and responsible manner, and has earnestly fulfilled its international obligations. The Chinese government reported the outbreak of the epidemic to the world at the first opportunity, released the genome sequence of the virus to the

world as soon as it was determined, immediately shared China's diagnostic and therapeutic protocols and containment measures, and firmly supported the World Health Organization (WHO) in playing its leading role. We set up an online Covid-19 knowledge center open to all, and published eight versions of diagnostic and therapeutic protocols and seven versions of containment protocols, unreservedly sharing our prevention, control, and treatment experiences with all.

We launched the largest global humanitarian assistance campaign since the founding of the PRC, provided assistance both to the WHO and for the Covid-19 Global Humanitarian Response Plan launched by the United Nations, dispatched 36 teams of medical experts to 34 countries in need of them, and provided assistance in combating the epidemic to 150 countries and 13 international organizations. Giving full play to our strengths as the world's largest supplier of epidemic prevention materials, over the course of the year we provided more than 200 countries with over 220 billion face masks, 2.3 billion protective gowns, and 1 billion testing kits. We actively pushed forward cooperation on drug and vaccine R&D as well as global joint prevention and control. We also helped developing countries to overcome the challenges brought by the epidemic.

2. We formulated and implemented macro policies to meet the urgent needs of market entities, and facilitated a stable and sustained economic recovery.

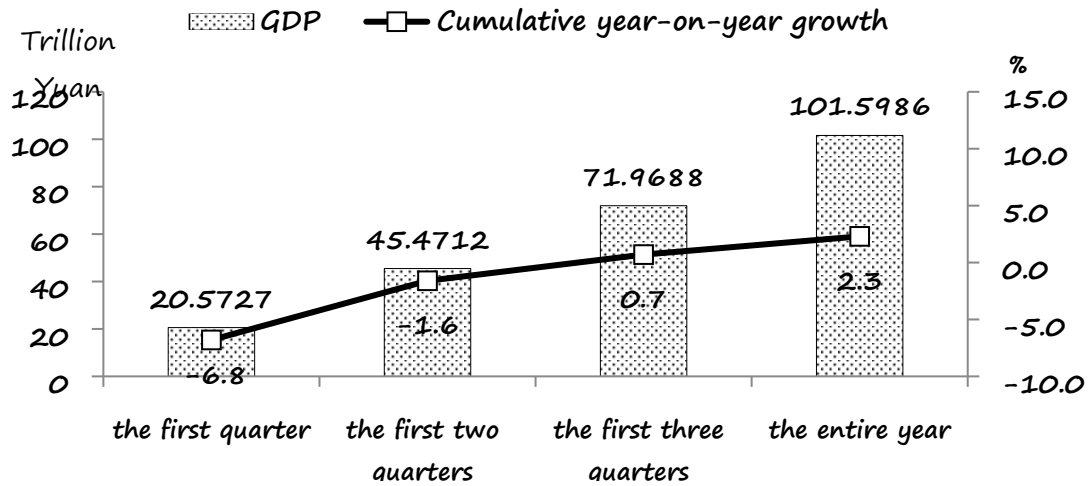
Confronted with the impact of Covid-19, the severity of which has rarely been seen in history, we made ensuring stability on the six fronts the foundation of our efforts, and clearly defined the tasks required for

maintaining security in the six areas, with a particular emphasis on securing employment, meeting basic living needs, and protecting market entities. We remained committed to maintaining security in order to deliver the stability needed to pursue progress. Taking into account China's national conditions and realities, we took prompt and decisive action while maintaining our resolve, and refrained from resorting to a deluge of strong stimulus policies. Instead, we balanced large-scale economic policies and intensified our macro policies to counteract the negative impacts of Covid-19, thereby strengthening the internal forces driving economic growth and ensuring more balanced and more sustainable development.

1) Major indicators were better than expected.

China's gross domestic product (GDP) in 2020 reached 101.6 trillion yuan, an increase of 2.3%. A total of 11.86 million urban jobs were created and the year-end surveyed urban unemployment rate was 5.2%. The consumer price index (CPI) rose by 2.5%. A basic equilibrium was maintained with regard to the balance of payments, and foreign exchange reserves were kept at over US\$ 3 trillion.

Figure 1. GDP and GDP Growth of 2020



2) Epidemic relief policies for enterprises were effectively implemented.

We implemented large-scale tax cuts and fee reductions on a time-limited basis in order to help enterprises. We reduced or eliminated VAT on small-scale taxpayers in the current stage, temporarily reduced or waived enterprises contributions to basic old-age insurance, unemployment insurance, and workers' compensation schemes, halved enterprises contributions to basic medical insurance for urban workers, and implemented time-limited supportive policies on the housing provident fund, saving market entities more than 2.6 trillion yuan over the course of the year.

We developed new methods for implementing macro policies. The central government established mechanisms for ensuring that the additional two trillion yuan of government bonds went directly to prefecture and county governments, and provincial-level governments channeled more financial resources to lower-level governments. These

combined measures supported prefecture and county governments in implementing policies to benefit both enterprises and the people.

We introduced supportive monetary measures with a value of over nine trillion yuan by means such as required reserve ratio reductions, medium-term lending facilities, open market operations, re-lending and rediscounts, and by developing new monetary policy instruments that directly serve the real economy. We also implemented the loan prime rate (LPR) mechanism to reduce the cost of financing. Large commercial banks increased inclusive loans to micro and small enterprises (MSEs) by more than 50%. Over the year, the financial sector saved enterprises 1.5 trillion yuan via measures to boost the real economy. Rental payments for certain MSEs and self-employed individuals in the service sector were reduced, waived, or postponed for a certain period of time.

Box 2: Progress in Implementing Epidemic Relief Policies for Enterprises

<p>Tax and Fee Cuts</p>	<ul style="list-style-type: none"> While implementing institutional policies such as lowering VAT rates and the share of employees' basic old-age insurance paid by enterprises, we also rolled out 28 tax and fee reduction policies in seven batches, promptly introduced time-limited measures, including exempting micro, small, and medium enterprises from social insurance premiums and reducing or exempting VAT on small-scale taxpayers and for certain sectors, and postponed payment of corporate income taxes by MSEs and self-employed individuals, in an effort to overcome the impact of the epidemic. These policies and measures played a crucial role in sustaining over 100 million market entities, in boosting market dynamism, and in facilitating growth in corporate profits.
<p>Lowering</p>	<ul style="list-style-type: none"> We created two monetary policy instruments which proved

<p>Financing Costs</p>	<p>able to directly serve the real economy: an instrument to allow MSEs to postpone repayments on inclusive loans, and the credit loan support program.</p> <ul style="list-style-type: none"> • In 2020, the banking sector deferred repayments of principal and interest for 7.3 trillion yuan worth of loans, and granted 3.9 trillion yuan of inclusive credit loans to MSEs. • More loans were granted to a greater number of MSEs at lower costs. By the end of 2020, the balance of inclusive loans for MSEs was 15.1 trillion yuan, an increase of 30.3%, which benefited 32.28 million businesses. The interest rate on newly-issued inclusive loans for MSEs was 5.08% in December 2020, 0.8 percentage points lower compared to the same period of the previous year. • By the end of 2020, outstanding medium- and long-term loans to manufacturers totaled approximately 5.26 trillion yuan, an increase of 35.2%.
<p>Lowering Logistics Costs</p>	<ul style="list-style-type: none"> • We implemented 12 measures in six different categories to develop the logistics industry to address the impact of Covid-19. • The State Council forwarded the Guidelines on Further Reducing Logistics Costs compiled by the National Development and Reform Commission and the Ministry of Transport, and rolled out 24 policies and measures to reduce institutional costs, the cost of factors of production, fees and taxes, information costs, multimodal transportation costs, and overall costs. • We formulated the Guidelines on Fostering an Enabling Environment to Promote the Distribution of Fresh Agricultural Products, and introduced 12 policies and measures relating to operating costs, financial support, land use and office use, the business environment, and development of larger and stronger enterprises, to address prominent problems in the distribution of fresh agricultural

	<p>products that are hindering the development of enterprises and private enterprises in particular.</p>
<p>Time-limited Policies to Reduce Costs</p>	<ul style="list-style-type: none"> • Electricity costs for enterprises: We published the Notice on Implementing Two-Part Tariff in Electricity to Reduce Enterprise Electricity Costs during Epidemic Prevention and Control, as well as the Notice on Temporarily Reducing Enterprise Electricity Costs to Support the Resumption of Work and Production, which mandated the implementation of two-part tariff in electricity before June 30, 2020; and a 5% cut in the price of electricity for all industrial and commercial users, with the exception of energy intensive businesses, from February 1 to June 30, followed by an extension of this policy to the end of 2020. • Gas costs for enterprises: We published the Notice on Temporarily Reducing Non-Household Gas Costs to Support the Resumption of Work and Production, which required that from February 22 to June 30, when the government-set price on non-household gas was applied, upstream gas suppliers must lower their prices so that they were essentially in accordance with the city gate price; more preferential gas prices were offered to agriculture-related industries seriously affected by Covid-19 such as chemical fertilizer businesses. Upstream gas suppliers and downstream gas users were encouraged to negotiate lower gas prices when pricing controls over gas were lifted. These measures have saved enterprises over eight billion yuan in gas costs. • Transportation costs: We lowered airport charges and air traffic control charges during the epidemic; temporarily exempted airlines from payments to the civil aviation development fund; temporarily reduced or eliminated tolls on highways; lowered, or eliminated port-related fees and fund contributions; and halved charges for railway freight value-insured transportation, demurrage, and truck detention fees.

	<ul style="list-style-type: none"> • <i>Charges for credit investigation services:</i> We published the Notice on Temporarily Reducing or Exempting Charges for Certain Credit Investigation Services, as well as the Notice on Extending the Policy for Temporarily Reducing or Exempting Charges for Certain Credit Investigation Services, which required business-related charges for certain credit investigation services be lowered or waived from March 1 to the end of 2020.
<p><i>Policies for Reducing, Exempting, and Postponing Payment of Social Insurance Premiums</i></p>	<ul style="list-style-type: none"> • We issued the Notice on Temporarily Reducing or Waiving Enterprises' Social Insurance Premiums, the Guidelines on Temporarily Reducing Enterprise Payments to Basic Medical Insurance for Urban Workers, and the Notice on Extending the Policy for Temporarily Reducing or Waiving Enterprises' Social Insurance Premiums. • In 2020, a total of 1.7 trillion yuan in payments to basic old-age insurance, unemployment insurance, and workers' compensation schemes were reduced or waived for enterprises.

3) The expectations of market entities remained stable and positive.

We promptly put in place and constantly improved nationwide epidemic information-sharing mechanisms, released authoritative epidemic information in an accurate and transparent manner, and effectively ensured the continuation of normal production and daily life activities.

We gave full play to the role of macro-policy coordination mechanisms and consultation mechanisms between major provinces and cities in order to ensure stability on the six fronts and security in the six areas. Policy coordination between central and local authorities and between departments was also strengthened. The macroeconomic

governance system was improved, and our policies became more stable, predictable, and transparent. We offered timely explanations of developments and policies, actively responded to public concerns, and maintained the confidence of market entities.

3. We made solid progress in the three critical battles,² and achieved the main targets and accomplished the main tasks on schedule.

We implemented policies to solve prominent problems and strengthen weak links, completed all goals and tasks for fighting poverty, stepped up efforts to address pollution, and effectively prevented and controlled major risks.

1) We won a complete victory in the battle against poverty.

We listed all the counties and villages which had not yet eliminated poverty in order to oversee their poverty-alleviation efforts, and channeled poverty-alleviation funds toward deeply impoverished areas such as the three regions and the three prefectures.³ To offset the impact of Covid-19 and flooding on poverty alleviation, we prioritized efforts to support impoverished workers in finding jobs, and expanded work-relief programs through multiple channels. We increased support for poverty alleviation by boosting local industries and employment, ensured better linkage between production and sales, strengthened science and technology-based assistance, launched programs to boost the consumption of goods produced in poor areas, and promptly

² This refers to the battles against poverty, pollution, and potential risks.

³ The three regions refer to Tibet, the four southern Xinjiang prefectures of Hotan, Aksu, Kashi, Kirgiz Autonomous Prefecture of Kizilsu, and the Tibetan ethnic areas in Sichuan, Yunnan, Gansu, and Qinghai provinces; the three prefectures are Liangshan in Sichuan, Nujiang in Yunnan, and Linxia in Gansu.

implemented measures to ensure that people’s basic living needs are met. We rolled out follow-up support policies and measures for relocated families, and completed the task of relocating over 9.6 million people from inhospitable areas during the 13th Five-Year Plan period.

We worked to consolidate the progress already achieved in guaranteeing access to compulsory education, basic medical services, and housing for rural poor populations. We coordinated the development of basic medical insurance, major disease insurance, and medical assistance programs to ease the burden of medical expenses for poor populations. Final-phase projects to renovate dilapidated rural houses were completed on schedule. All people who were formerly living below the current poverty line now have access to safe drinking water. We conducted a nationwide poverty reduction survey, and improved monitoring and support to prevent people from falling back into poverty.

The 98.99 million rural residents formerly living below the current poverty line were successfully lifted out of poverty, and poverty has been eliminated in all of the 832 impoverished counties and the 128,000 poor villages. Both extreme poverty and regional poverty have therefore been eradicated.

Box 3: Completion of the 13th Five-Year Plan’s Construction Task for the Relocation of Poor Populations from Inhospitable Areas

<p>Housing</p>	<ul style="list-style-type: none"> • Around 35,000 concentrated resettlement areas comprising over 2.66 million units of housing were established, covering 210 million square meters, with a per capita living area of 20.8 square meters.
<p>Support Facilities</p>	<ul style="list-style-type: none"> • We built, renovated, or enlarged more than 6,100 primary and secondary schools and kindergartens, over 12,000

	hospitals and community health centers, over 3,400 elderly care facilities, and over 40,000 cultural activity venues.
Employment	<ul style="list-style-type: none"> • 92% of workers relocated from inhospitable areas secured new employment. • At least one member in every relocated family with the capacity to work secured a job.
Urban and Rural Resettlement	<ul style="list-style-type: none"> • We settled more than 5 million people in urban resettlement areas, and the percentage of people settled in urban areas exceeded 90% in some provinces in the southwest. • We settled 4.6 million people in rural resettlement areas, and a number of concentrated resettlement areas that have played an exemplary role in promoting rural revitalization emerged across the country.

2) We achieved the current-stage objectives for pollution prevention and control.

We made steady progress in promoting energy conservation and emissions reduction, and saw a continued decline in energy consumption and carbon dioxide emissions per unit of GDP. The share of non-fossil fuels in the total energy consumption reached 15.9%.

We pushed ahead with the campaign to keep our skies blue, our waters clear, and our land pollution-free. We continued to comprehensively address air pollution in key areas during autumn and winter, launched initiatives to prevent and control ozone (O₃) pollution in summer, and moved forward with the adoption of clean energy sources for winter heating in northern China in an active yet prudent manner. We steadily advanced upgrading in the steel industry in order to achieve ultra-low emissions. We curbed pollution caused by diesel trucks, and continued to bring about a shift in freight transportation

from highways to railways and waterways. As a result of these efforts, air quality of cities at and above the prefectural level was good or excellent for 87% of the year.

We accelerated work to improve the quality of key water basins of major rivers and lakes, including the Yellow River and the Yangtze River, along with water quality in key sea areas such as the Bohai Sea. We stepped up protection of drinking water sources and the treatment of black, malodorous water bodies in urban areas. The proportion of surface water with a quality rating of Grade III or higher stood at 83.4% while the proportion of that lower than Grade V dropped to 0.6%. As the nationwide water conservation campaign unfolded, water consumption per 10,000 yuan of GDP is estimated to have fallen by 1.9%.

We worked to ensure that cropland and other plots of land that have been polluted are utilized in a safe manner. We continued to control pollution in agriculture and rural areas and carried out comprehensive trials for building waste-free cities. We made solid progress in recycling sewage, addressing plastic pollution, and disposing of medical waste. We stepped up the building of resource recycling centers and centers for the comprehensive use of massive solid waste, and essentially achieved the goal of zero solid waste imports. We accelerated the establishment of a modern environmental governance system, and ensured that the emissions permit system covers all fixed pollution sources in the country.

We took strong measures to develop national ecological conservation pilot zones. We strengthened the protection and

restoration of ecosystems, moved forward with large-scale afforestation, and stepped up environmental protection in the Yangtze, Yellow, and Lancang river sources, the Qilian Mountains area, and other key areas through comprehensive measures. We enhanced our ability to protect and manage major ecosystems, including the prevention and fighting of forest and grassland fires and the conservation of wetlands. We intensified oversight of ecological conservation red lines. We developed green industry demonstration centers and promoted advanced green technologies.

As an important participant and a leading nation in global climate governance, we proactively responded to climate change and raised the targets for the intended nationally determined contribution. We allocated quotas for trading carbon emission rights for the first compliance cycle of the national market.

3) We achieved excellent results in forestalling and defusing major risks.

We took prudent steps to defuse local government debt risks, continued to push forward structural deleveraging, and resolutely checked increases in hidden local government debt.

We promptly dealt with a number of major financial risks. All types of high-risk financial institutions were managed in an orderly manner. Shadow banking risks were kept in check, targeted efforts to defuse particular risks proved effective, and steps were taken to effectively prevent and control risks related to internet finance. We gradually developed diverse mechanisms for handling bond defaults, and put in place a framework for the coordinated regulation of systemically

important financial institutions, financial holding companies, and financial infrastructures. Initial progress was achieved in efforts to forestall and defuse major financial risks, and the operations of the financial market were stable and orderly.

We ensured the stable supply of important materials, key spare parts, core components, and key software, thus maintaining the stability of the industrial and supply chains.

4. We promoted innovation-driven development, and further boosted China's strengths in science and technology.

We intensified innovation, and consolidated its core role in China's modernization drive. Nationwide spending on R&D reached 2.4% of GDP, and the contribution made by advances in science and technology is estimated to account for 60.2% of economic growth.

1) China's innovation capacity was enhanced.

We saw a constant stream of significant scientific and technological advances throughout the year. The successful completion of the *Chang'e-5* mission marked China's first extra-terrestrial sample collection. We saw the successful launch of the *Tianwen-1* probe—China's first mission to Mars. The Five-Hundred-Meter Aperture Spherical radio Telescope (FAST) officially began operation, and the *Beidou-3* global navigation satellite system officially became operational. The quantum computer prototype *Jiuzhang* was successfully developed, and the deep-sea manned submersible *Fendouzhe* descended to a depth of more than 10,000 meters.

We opened a number of national laboratories, accelerated the deployment and implementation of major projects for the Sci-Tech

Innovation 2030 Agenda involving next-generation artificial intelligence (AI), quantum communications and computing, and brain science and brain-inspired research, and fully participated in international Big Science programs such as the International Thermonuclear Experimental Reactor project.

We accelerated the development of innovation platforms. We advanced the establishment of a number of high-level national industrial innovation centers, engineering research centers, technology innovation centers, manufacturing innovation centers, and enterprise technology centers in strategically important fields such as next-generation information technology, biomedicine, and new energy. We accelerated the construction of national large research infrastructures such as the High Energy Photon Source, the Hard X-Ray Free-Electron Laser, and the China Environment for Network Innovations.

2) We strove to achieve breakthroughs in core technologies in key fields.

We implemented the open competition mechanism for selecting the best candidates to lead research projects, and actively explored and improved a new system for mobilizing the nation to make technological breakthroughs under the socialist market economy. We worked faster to deal with technological bottlenecks. We strengthened the leading role played by enterprises in innovation, encouraged enterprises to increase spending on R&D, and supported enterprises in carrying out R&D in technology together with research institutes and upstream and downstream enterprises, while we made constant innovations in support mechanisms.

3) New industries and new forms of business developed despite challenges.

We undertook projects to develop China's strategic emerging industry clusters, drove forward the construction of civil-space infrastructure, steadily advanced the construction of new types of infrastructure including 5G, data centers, and the industrial internet, and promoted the orderly development of the integrated circuit industry.

We promoted industrial upgrading through the utilization of digital and smart technologies, pressed ahead with the building of national pilot zones for the innovative development of the digital economy, and carried out the digital transformation partnership campaign, the small and medium enterprises (SMEs) digitalization campaign, and the initiatives for cultivating new forms of business in the digital economy, involving more micro, small, and medium enterprises (MSMEs) in cloud-based big data and AI initiatives. We continued the digitalization of traditional industries and put more effort into fighting poverty through the promotion of e-commerce.

4) We accelerated the development of innovation hubs in key areas.

We achieved early successes in developing Beijing, Shanghai, and the Guangdong-Hong Kong-Macao Greater Bay Area into international centers for science and technology innovation, made a great leap in the construction of comprehensive national science centers, and continued the development of industrial innovation hubs. We accelerated the development of national innovation demonstration zones and national new- and high-tech industry development parks, thereby further

improving the coordinated distribution of productive and innovative forces.

5) We continued to establish a new environment for innovation, business startups, and creativity.

We applied the third batch of 20 practices developed in pilot reforms for making innovations across the board. We held the 2020 National Entrepreneurship and Innovation Week both online and offline, and made plans for building a third group of innovation and business startup demonstration centers. We carried out demonstration programs in the social services sector for job creation via business startups. We further implemented the policy of guaranteeing loans for business startups. In 2020, we saw an average net increase of 41,000 market entities per day, of which 13,000 were enterprises.

5. We firmly pursued the strategy of expanding domestic demand, and facilitated the faster development of a strong domestic market.

We worked hard to maintain dynamic circulation in order to ensure that market supply meets demand. We tapped into and unlocked the demand potential of the domestic market, and steadily stimulated domestic demand as a driver of economic growth.

1) Consumption played a more fundamental role.

We supported the leading role of new forms and models of business in accelerating the development of new types of consumption. We worked faster to develop a number of cities into international consumption centers. We oversaw the careful implementation of pilot and demonstration schemes to boost the consumption of information goods and services and spending in the cultural and tourism sectors. We

improved the quality and expanded the scale of consumption in elderly care and childcare services, and moved forward with comprehensive demonstrations for introducing e-commerce into rural areas.

We both stabilized and expanded the purchase of automobiles and spending on other big-ticket items. We boosted consumption in the catering sector, and further unleashed the consumption potential of rural areas. We stepped up the building of a recycling system for old home appliances to boost purchases of new home appliances. In 2020, total retail sales of consumer goods reached 39.2 trillion yuan, and total online retail sales nationwide reached 11.8 trillion yuan, an increase of 10.9%. Sales of goods online increased by 14.8% and accounted for 24.9% of the total retail sales of consumer goods.

2) Greater play was given to the key role of investment.

We issued the guidelines on promoting high-quality infrastructure development and the guidelines on accelerating the development of intra-city (suburban) railways for metropolitan areas. We invested more in new infrastructure and new urbanization initiatives and major projects, and began the construction of a number of major projects including the Chengdu-Lhasa Railway.

We sped up releasing the central budgetary investment plan for local governments and improved the structure of investment at pace, pooling more resources to accomplish major, challenging, and urgent national goals. We prioritized public health and other weak areas exposed during the Covid-19 response while emphasizing the development of railways, highways, waterways, airports, and major water conservancy projects, as well as key science, technology, and

energy infrastructure. We also gave precedence to the renovation of old residential communities in cities.

We expanded the usage scope for local government special bonds in order to support the construction of major national strategic projects. We successfully implemented the long-term mechanism for opening projects to private capital, and welcomed private investment in major projects. We also launched real estate investment trusts (REITs) trials for infrastructure in order to release the value of idle assets. We deepened reform of the investment approval system, actively explored an investment project commitment system, and made steady progress on ensuring that multiple approval procedures can be initiated, reviewed, and completed simultaneously. The fixed-asset investment for the year (excluding investment by rural households) rose by 2.9%, thus significantly contributing to economic recovery and growth.

Box 4: Progress on Major Infrastructure Projects

Railways	<ul style="list-style-type: none"> • Construction began on the Mt. Shergyla tunnel, Kangding No. 2 tunnel, and a mega bridge over the Daduhe River on the Ya'an-Nyingchi section of the Chengdu-Lhasa Railway. • Construction began on the Chengdu-Dazhou-Wanzhou, Chongqing-Wanzhou, and Wuhan-Yichang sections of the high-speed railway along the Yangtze River. • Construction of 14 projects for combined rail-water transportation facilities along the Yangtze River was accelerated. • Inter-city railway construction was accelerated in major city clusters such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area. • Fixed-asset railway investment totaled 781.9 billion yuan,
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	<p>and an additional 4,933 kilometers of rail lines entered service over the year.</p>
Highways	<ul style="list-style-type: none"> • Capacity upgrading construction proceeded on heavily congested sections of expressways such as those between Beijing and Shanghai, Beijing and Taipei, Shenyang and Haikou, and Lanzhou and Haikou. • Construction was accelerated on unfinished sections of national expressways, including on the G5515 between Zhangjiajie and Nanchong, the G0611 between Zhangye and Wenchuan, the G4012 between Liyang and Ningde, the G59 between Hohhot and Beihai, the G3W between Dezhou and Shangrao, the G4216 between Chengdu and Lijiang, the G7611 between Duyun and Shangri-La, and the G6911 between Ankang and Laifeng.
Waterways	<ul style="list-style-type: none"> • Inland waterway infrastructure was strengthened. Steady progress was made in the project to improve the Wuhan-Anqing six-meter-deep waterway on the Yangtze, in the Yangtze to Huai River water diversion project, and in the project to improve the Grade III waterway on the Zhejiang section of the Beijing-Hangzhou Grand Canal. A project was launched to improve the waterway between Chaotianmen and Fuling in the upper reaches of the Yangtze, and phase one of the project to improve the Nancao waterway at the Yangtze estuary was completed and put into trial operation. • Construction of coastal port facilities was accelerated. Phase two of the project for a 300,000-ton-class shipping channel at the Lianyungang Port, and the expansion and renovation projects for a channel of the same class at the Zhanjiang Port made steady progress. The project to broaden the Guangzhou Port deepwater channel was completed.
Airports	<ul style="list-style-type: none"> • Yulin, Wulong, and Yutian airports were completed and opened to traffic, increasing the number of civil airports in service across China to 241. • Construction progressed swiftly on the Tianfu Airport in

	<p>Chengdu, and on the expansion and renovation of the Guiyang and Urumqi airports.</p> <ul style="list-style-type: none"> Projects were launched to expand and renovate hub airports including those in Guangzhou, Shenzhen, Xi'an, Lanzhou, and Xining, and to build regional airports such as those in Xingtai and Ruijin.
Postal and Telecoms Facilities	<ul style="list-style-type: none"> Steady progress was made in improving infrastructure for universal postal services in western and rural areas as part of the initiative to extend direct postal service to all administrative villages. 1,025 postal outlets in 21 provinces, autonomous regions, and municipalities directly under the central government were either renovated or rebuilt. New telecoms infrastructure was built, increasing the total number of operational 5G base stations to above 700,000 and raising 4G and fiber optic network administrative village coverage to over 98%.
Water Conservancy Projects	<ul style="list-style-type: none"> Progress was achieved on 150 major water conservancy projects, including projects to control floods and mitigate natural disasters and to ensure better allocation of water resources, water-saving irrigation, water supply, protection and restoration of water ecosystems, and smart water conservation. A total of 45 large water conservancy projects were launched, including phase one of the Sichuan Tingzikou irrigation area project and the water resources allocation project in western Chongqing. More than one trillion yuan was invested in water projects currently under construction.
Energy Projects	<ul style="list-style-type: none"> Nuclear power: The Wudongde Hydropower Station and Unit 5 of the Tianwan Nuclear Power Plant began to generate electricity. Unit 5 of the Fuqing Nuclear Power Plant—China's first nuclear unit with the Hualong-1 reactor, was connected to the power grid for the first time. Electricity: The UHVDC lines transmitting electricity from

	<p>Wudongde to Guangdong and Guangxi, and between Qinghai and Henan, began operation.</p> <ul style="list-style-type: none"> • Natural gas: The middle section of the China-Russia east-route natural gas pipeline was completed, and construction began on the southern section. The Qinghai-Nanjing pipeline was put into operation. The capacity of major underground gas storage facilities such as the one in Hutubi County, Xinjiang reached 14.3 billion cubic meters in 2020.
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3) We accelerated the establishment of a modern distribution system.

To advance the development of high-quality, modern logistics, we made plans to build another 22 national logistics hubs. To create an enabling environment for the distribution of fresh agricultural products, we made plans to build 17 national pivotal cold-chain logistics bases which will serve areas producing local specialty agricultural products and agricultural product distribution centers. We also moved faster to create a modern logistics operation system that incorporates logistics gateways, hubs, and networks. To introduce new models for logistics services, we encouraged the healthy and well-regulated development of new forms of Internet Plus freight transportation businesses, and promoted full integration between logistics and manufacturing to boost their innovative development. To lower costs and increase efficiency in the distribution process, we made coordinated efforts to bring down both technology costs and government-imposed transaction costs.

6. Continuous progress was made in supply-side structural reform, and new headway was made in industrial restructuring.

We kept the focus of efforts in economic development on the real

economy, and steadily improved the quality, performance, and core competitiveness of our economy.

1) We made solid progress in promoting high-quality development of manufacturing.

We launched projects to enhance the core competitiveness of the manufacturing sector, implemented pilot and demonstration programs for fostering advanced manufacturing clusters, and made effective use of the investment fund for advanced manufacturing. We pushed forward integrated development between next-generation information technology and manufacturing, and continued to improve industrial internet platforms in order to facilitate the development of manufacturing. We encouraged enterprises to transform themselves into smart, eco-friendly, and quality service providers, and established a number of high-quality smart manufacturing demonstration plants and green manufacturing demonstration projects. These initiatives have propelled safe, green, intensive, and efficient development in traditional industries.

We continued to consolidate our achievements in cutting overcapacity and improved the distribution of major productive forces. By approving larger mining projects, suspending smaller ones, and increasing the number of efficient and responsible producers while eliminating those not up to standard, we slashed outdated production capacity last year by more than 100 million tons, thereby optimizing China's coal production capacity. In the iron and steel industry, we refined the measures for production capacity replacement and registration, accomplished all the targets for cutting crude steel

production capacity during the 13th Five-Year Plan period, and encouraged enterprise acquisitions and reorganizations. We optimized the planning for the petrochemical industry, pressing ahead with major projects while advancing the relocation and renovation of hazardous chemical plants in densely populated urban areas.

We promoted the high-quality development of strategic mineral resources such as rare earths, and improved the regulation of resource exploitation. We also boosted the innovative development of intelligent vehicles and successfully organized a series of activities for the 2020 Chinese Brands Day.

2) We pushed forward the development of the modern service industry.

In endeavoring to develop a quality, efficient, and competitive service industry, we formulated the guidelines on advancing reform, opening up, and the development of the service sector. We launched the first group of trials for integrated development between advanced manufacturing and modern services, and stimulated development in producer services, including industrial generic technologies R&D, industrial design, integration management, general contracting, lifecycle management, inspection, testing, and certification.

3) We effectively ensured food security and the adequate market supply of agricultural and sideline products.

We maintained stability in grain output, which exceeded 650 million metric tons for the sixth year in a row. This ensures both our basic self-sufficiency in cereal grains and absolute food security.

Based on a more precise analysis of supply and demand, we further improved the grain reserves regulation system. In an effort to refine the system for coordinating grain production, purchase, storage, processing, and sales, we optimized the types and locations of stockpiled grain varieties, established a dynamic mechanism for adjusting the size of government stockpiles, supported the construction of 234 grain storage, logistics, and emergency response facilities, and steadfastly increased grain storage capacity and distribution efficiency in order to systematically reduce grain loss in all links of the post-production process.

With regard to pork supplies, we tracked, studied, and assessed hog market developments, built up infrastructure for animal epidemic prevention and control, and implemented routine preventative measures against African swine fever. We facilitated the strong recovery of hog production and released frozen pork from central government reserves at key times of the year, thus effectively ensuring the supply of pork and other essential commodities. An adequate quantity of vegetables and fruits is available on the market, indicating a marked improvement in our capacity to provide a balanced food supply.

4) *We further enhanced China's capacity to safeguard energy security.*

We vigorously developed systems for the production, supply, storage, and sales of coal, electricity, petroleum, and natural gas. We improved China's ability to ensure self-sufficiency in those mineral resources which are in short supply, increased the reserves, storage capacity and output of petroleum and natural gas, and stepped up work on major electricity

projects. Major power grids across the country were largely connected up. The capacity for west-to-east electricity transmission reached 260 million kilowatts. China's installed capacity for wind power, solar power, and hydropower remained the world's largest, with its installed capacity for electricity generated from non-fossil energy rising to 980 million kilowatts. We also proceeded with the transformation of power systems to make them more flexible, and raised the utilization rate of wind power, photovoltaic power, and hydropower to over 96%.

Box 5: Progress in Energy Production, Supply, Storage, and Sales Systems

<p>Improving Production Capacity</p>	<ul style="list-style-type: none"> • The overall quality of the coal supply system was improved, and advanced production capacity was released. • Domestic oil and gas output recovered and increased. Crude oil output continued a two-year rebound, and natural gas output grew by more than 10 billion cubic meters for the fourth year in a row. • Electric power production was diversified, and the capacity of coal-fired power to guarantee basic supply and act as a peak-shaving energy source was fully utilized. Renewable energy was strongly promoted and incorporated into power grids.
<p>Coordinating Supply Channels</p>	<ul style="list-style-type: none"> • Coal: A stable, reliable, and clean coal supply system was established. We strengthened the supporting capacity for the Haolebaoji-Ji'an Railway's collection, distribution, and transportation system, and coal transportation became cleaner. • Petroleum and natural gas: We improved both the supply of and pipeline transmission capacity for imported oil and gas, the supply of foreign energy was diversified, and major projects for gas pipeline connectivity were accelerated. • Electricity: Power grids were developed in a coordinated manner, and their ability to support each other in order to

	<p>ensure the supply of power continued to grow.</p>
<p>Strengthening Weaknesses in Storage Capacity</p>	<ul style="list-style-type: none"> • Coal: Storage capacity was further improved. A sound reserve system was established in which enterprises' social responsibility reserves are the mainstay and local governments' reserves are supplementary, with reserves of both goods and production capacity. • Petroleum: Support was given to projects for increasing reserves. • Natural gas: Strict measures were taken to ensure that upstream suppliers, pipeline operators, distributors in cities and towns and local governments fulfill their respective responsibilities. Construction of intensive and large-scale storage facilities was promoted, and the stocks available for the heating season increased by approximately five billion cubic meters on the previous year. • Electricity: The peak-shaving capabilities and mechanisms were enhanced, and the energy storage industry was vigorously developed.
<p>Removing Obstacles to Sales</p>	<ul style="list-style-type: none"> • A sound market trading system was established, in which the National Coal Exchange Center played its role more effectively. Policies for market-based electricity trade were refined. The domestic market for refined oil products with diversified players and fair competition grew stronger, and the opening up of gas infrastructure to all eligible users proceeded in an orderly way. • The system of mid- and long-term contracts was improved, and a greater number of such contracts were signed and implemented. • Demand-side regulation was strengthened to guide and encourage power and natural gas consumers to participate in peak shaving. The emergency supply plan was refined.

7. We fully implemented the rural revitalization strategy, and

maintained momentum in the development of agriculture and rural areas.

Work related to agriculture, rural areas, and rural residents was carried out in a coordinated manner, and continuous improvements were made to the industrial, production, and business operation systems for modern agriculture. As a result, agricultural and rural development improved noticeably.

1) We deepened supply-side structural reform in the agricultural sector.

We implemented the food crop production strategy based on farmland management and the application of technology. Agricultural infrastructure continued to be improved, with the total area of high-quality cropland increasing by 5.33 million hectares. Scientific and technological support for agricultural development was strengthened, with the overall level of mechanization in plowing, sowing, and harvesting increasing to 71%.

We proceeded with projects to better protect animal and plant resources, and bolstered our capacity to prevent and mitigate natural disasters. Sound regional distribution, scaled-up operations, standardized production, commercial services, and brand marketing constitute the future of agricultural development, as well as the means to boost land and labor productivity. After actively promoting scaled-up operations by means of third party cultivation, land trusteeship, and production service outsourcing, we saw the volume of contracted land-use right transfers in rural areas reach 37 million hectares.

Financial support for agriculture steadily grew. The outstanding

balance of bank loans to agriculture, rural areas, and rural residents stood at 38.95 trillion yuan at the end of 2020, a year-on-year increase of 10.7%.

2) We advanced integrated industrial development in rural areas.

We approved two batches of 200 national demonstration parks in total as part of our explorations and innovations for effectively promoting integrated development of industries in rural areas. The development of agricultural product processing and distribution gathered speed, with industrial and value chains extended and integration of the production, processing, and sales of farm products significantly accelerated. As various functions of agriculture and the countryside are unlocked, new types of business are flourishing, including e-commerce, farm-based recreation, and rural tourism.

3) We made an all-out effort to build a beautiful and livable countryside.

Village cleaning initiatives were advanced. We formulated and refined standards and norms for the Toilet Revolution and household waste and sewage treatment, and accomplished the tasks and goals for the three-year campaign to improve rural living environments. More than 68% of rural areas now have access to sanitary toilets, and the proportion of administrative villages where household waste is collected and treated has risen to over 90%.

We intensified efforts to shore up points of weakness in rural infrastructure relating to rural roads and the water and power supply, and advanced reform of the management and maintenance systems for rural public infrastructure. With the completion of a new round of

power-grid upgrading, universal energy services in rural areas also markedly improved.

8. We worked faster to build new mechanisms for coordinated regional development and improved the framework for development between regions.

We focused on harnessing the comparative strengths of each region and vigorously promoted integrated urban-rural development. We continued to refine the arrangements for achieving complementarity and coordinated development between regions, and steadily implemented the functional zoning strategy. A system of integrated plans for China's territorial space is being put in place.

1) We steadily advanced new, people-centered urbanization.

As part of the deepening reform of the household registration system, we essentially removed all restrictions on permanent residency in cities with permanent urban populations of less than three million and accomplished the goal of granting urban residency to 100 million people. We made further refinements to spatial plans for urbanization, drew up and implemented the general development plan for the Chengdu-Chongqing economic zone, instituted mechanisms to facilitate coordinated development in the Guanzhong Plains, Lanzhou-Xining, and other city clusters, and pushed for higher levels of urban integration in metropolitan areas like Nanjing, Guangzhou-Foshan, and Changsha-Zhuzhou-Xiangtan.

In county towns weaknesses were steadily addressed, and nationwide trials for new urbanization came to a successful close, producing a host of effective practices that were replicated throughout

the country. Development in towns with distinctive features was gradually put onto a more robust footing with improved regulation, and extensive explorations and experiments got under way in national pilot zones for integrated urban-rural development.

2) We continued to implement major regional development strategies.

We promoted the coordinated development of the Beijing-Tianjin-Hebei region. We relieved Beijing of functions nonessential to its role as China's capital with proactive and prudent measures, advanced the construction of Xiongan New Area according to high standards and quality requirements, and accelerated the development of Beijing Municipality's administrative center in Tongzhou. We continued to implement major projects for coordinated development and stepped up the construction of intercity rail in the region.

We advanced systematic environmental protection and restoration along the Yangtze Economic Belt through concrete measures. We carried out a project to treat urban sewage and waste and to tackle pollution from the chemicals industry, ships, agricultural non-point sources, and tailing sites. A 10-year ban on fishing in key waters of the Yangtze River basin came into force, pilot and demonstration programs for green development were launched, and the Yangtze River Conservation Law was promulgated.

We promoted the steady development of the Guangdong-Hong Kong-Macao Greater Bay Area. We encouraged greater coordination between scientific and technological innovation and industry, developed major cooperative platforms, and implemented a plan for the

development of intercity rail. We also made progress in promoting the interconnectivity of infrastructure, regulations, and mechanisms. We issued and carried out the Implementation Plan for the Comprehensive Pilot Reform of Making Shenzhen a Pioneering Demonstration Zone for Socialism with Chinese Characteristics (2020-2025).

We made steady headway in integrating the development of the Yangtze River Delta. We developed major platforms and advanced inter-regional cooperation, established a collaborative innovation network, and promoted joint protection of the environment and ecosystems. We enhanced infrastructure connectivity, and made faster progress in providing convenient and accessible public services across the delta.

We published and began implementing the overall plan for the ecological protection and high-quality development of the Yellow River basin.

3) *We implemented the strategy for coordinated regional development.*

We ushered in a new stage in the large-scale development of China's western region, supported the full revitalization of northeast China, promoted the rise of the central region at a faster pace, and introduced a policy package to support the economic and social development of Hubei Province. We also continued to promote the trailblazing development of the eastern region.

We made a major push to develop key sectors and key platforms, and supported the construction of key projects in state-level new areas and demonstration zones for industrial relocation. We made new strides

in the revitalization of old revolutionary base areas, areas with large ethnic minority populations, border areas, those areas affected by ecological degradation and resource dependency, and old industrial areas. We also steadily boosted the marine economy by coordinating development both on land and at sea.

9. We furthered reform in all respects, helping to boost the confidence and vitality of market entities.

Faster progress was achieved in improving the socialist market economy. New breakthroughs were made in furthering reform through comprehensive moves. Both the dynamism of development and internal drivers of growth were further enhanced.

1) We improved the systems and mechanisms for the market-based allocation of production factors.

We reformed land-use planning and management practices. We granted provincial-level governments more decision-making power over the development of land, launched a new round of trial reforms on rural land designated for housing, and adjusted the parameters of use for proceeds from the sale of land-use rights, making rural revitalization a key priority for support.

We worked quickly to improve the system for appraising skilled personnel, gradually opened avenues for awarding professional titles to personnel in private enterprises, and steadily developed integrated mechanisms for the mutual recognition of professional qualifications between regions. We furthered reforms related to the right to use, transfer, and profit from scientific and technological output, and piloted the practice of granting researchers employed in research

institutions ownership or permanent use rights over the scientific and technological outputs they produce on the job.

We staged trials for developing and utilizing public data resources and promoted the sharing of government data in an orderly manner. We also developed an action plan for establishing a sound market system.

Box 6: Major Progress in Reforms to Promote the Market-Based Allocation of Production Factors

Land	<ul style="list-style-type: none"> • Review and approval: Provincial-level governments were granted the authority to approve the re-designation of all types of agricultural land for development purposes, save for permanent basic cropland; a number of provinces also carried out trials of the approval process for the re-designation of permanent basic cropland for construction and for the requisition of land on behalf of the State Council. • Planning and management: We based quotas for the allocation of land for construction on the implementation of useful and effective projects, linked increases in the amount of land for construction to the use of existing land for such purpose, and intensified efforts to deal with instances of land being approved for development but not opened up for bidding or being left idle. • Residential land: We established collective ownership rights, protected the qualification rights and residential property rights of rural residents, and allowed more flexibility in the transfer of land-use rights. 104 counties (including county-level cities and districts) and 3 prefecture-level cities were included in the latest round of trials.
Labor	<ul style="list-style-type: none"> • Housing provident funds: We coordinated the development of funds in the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and the Chengdu-Chongqing economic zone.

	<ul style="list-style-type: none"> • Inter-regional recognition: We explored measures for mutually recognizing and sharing information about professional qualifications, titles, and periods of continuing education in the Beijing-Tianjin-Hebei, Greater Bay Area, and Yangtze River Delta regions. • Attracting international talent: We permitted eligible candidates with overseas professional qualifications in finance, architecture, planning, design, and other disciplines to offer their services in pilot free trade zones once they had completed the relevant filing procedures.
<p style="text-align: center;">Capital</p>	<ul style="list-style-type: none"> • Key institutions: We instituted a registration-based IPO system for the ChiNext stock market, steadily advanced the comprehensive reform of the new third board, improved the regulations on refinancing, furthered reforms to make the exchange rate more market-based, and improved the floating exchange rate system. • Basic infrastructure: We connected the infrastructure of the interbank and exchange bond markets to enable qualified investors from one market to trade bonds on both, thus making bond market trading freer and more efficient. • Opening up of the financial sector: We removed all restrictions on the negative list for foreign investment related to the financial sector, and simplified the process of investing in China's capital markets for foreign investors.
<p style="text-align: center;">Technology</p>	<ul style="list-style-type: none"> • Ownership and permanent use rights for on-the-job scientific and technological output: We selected 40 higher-education institutions and research institutes on a per-sector basis to take part in three-year trials, granting researchers the right of use for outputs they produce on the job for a minimum of 10 years. • Agencies for technology transfer and talent development: We established 11 national technology transfer regional centers, more than 40 technology transfer markets, 453 national

	<p>agencies for technology transfer, and 36 bases for training relevant personnel, with a view to boosting China's technology transfer market and capabilities.</p> <ul style="list-style-type: none"> • The alignment of technology and capital: We established venture capital sub-funds to support the application of scientific and technological advances, encouraged commercial banks to accept intellectual property rights and future earnings as collateral for financing, and steadily promoted trials of both insurance compensation for newly-developed major technological equipment and insurance cover for initial applications of new materials.
<p>Data</p>	<ul style="list-style-type: none"> • Policies and legislation: We solicited opinions from the public on the drafts of the data security law and the personal information protection law, accelerated the drafting of the management provisions for online data security, and made steady progress in the multi-category and multi-level management of data. • Standardized data collection: We formulated national standards for protecting personal information in relation to online shopping, facial recognition, and other related activities. • Resource integration and protection: We established an open national platform for sharing public data and promoted the orderly sharing of government data.

2) We promoted the reform of state-owned enterprises (SOEs).

We vigorously implemented the three-year action plan for SOE reform. We essentially completed the tasks of relieving SOEs of their obligations to operate social programs and of resolving other longstanding problems concerning SOEs, prudently yet steadily advanced mixed ownership reform, and ensured that the supervision of state capital became more systemic, targeted, and effective. We also

made new strides toward developing market-oriented operating mechanisms.

As part of the reform of key sectors, we relieved power grid enterprises of some of their competitive operations such as equipment manufacturing. The China Oil and Gas Pipeline Network Corporation successfully took charge of China's oil and gas network assets, personnel, and operations, thus creating an interconnected national network of pipelines that will be opened up in a more equitable manner to non-public capital and market entities.

3) *We continued to improve the development environment for private enterprises.*

We introduced a range of policies and measures to ease market access, strengthen financial support, create an environment of fair competition, and protect the legitimate rights and interests of private businesses and their owners. We gradually lifted restrictions on private businesses engaging in the exploration and development of oil and gas resources, and supported the involvement of private businesses in the development of transportation infrastructure.

We worked speedily to set up a long-term mechanism for ensuring that commercial banks have the confidence, willingness, and ability to loan to private enterprises, and achieved significant results with regard to the settlement of overdue payments owed to private, small, and medium businesses. We made progress on abolishing policies and measures that disrupt China's unified national market and impinge on fair competition, and attained positive results in the campaign to resolve property rights disputes involving the government.

4) We made continuous improvements to the business environment.

We pushed ahead with the reform to streamline administration and delegate power, improve regulation, and upgrade services. We fully enforced the Regulations on Improving the Business Environment, and carried out business environment evaluations in some cities. The 2020 Report on China's Business Environment was published.

We carried out extensive reform of the construction project approval system, and largely completed work on a national unified system for project approval and management. We continued to improve the business environment with regard to public bidding and government procurement and introduced online trading for all public resources. The Negative List for Market Access (2020) was published, with the number of listed items being reduced to 123 from the 131 items on the previous version. Restrictions on market access thus continued to be loosened.

5) We accelerated the pace of reform in key areas such as public finance and taxation, the financial sector, and pricing.

We published and implemented the reform plan for dividing fiscal powers and expenditure responsibilities between the central and local governments in such areas as ecological conservation, public cultural services, natural resources, and emergency relief services. We implemented a registration system for the public issuance of all corporate and company bonds, increased the resilience of the capital market and ensured its continued stability, and made the financial sector more adaptable, competitive, and inclusive. We revised the Central Government Pricing Catalog, shortening it by 30%, and

deepened price reforms in key areas such as electric power, oil and gas, public utilities, and agricultural products. Reform and opening up in the service sector was stepped up, and reform of the electric power, oil, and gas systems was expanded.

10. We persistently broadened and deepened opening up, and worked faster to develop new institutions for an open economy.

We took solid steps to cope with the uncertainties of the Covid-19 pandemic and the external environment, and continued to open up more sectors of the economy in a more thorough fashion to more countries.

1) Greater efforts were made to ensure stable foreign trade and foreign investment.

Last year, China's total volume of trade in goods reached 32.2 trillion yuan, and foreign investment totaled US\$ 144.4 billion. We expanded the coverage of export credit insurance, increased export credit supply, and improved the export tax rebate policy. We kept processing trade stable, and supported the innovative development of border trade.

The development of new forms and models of trade picked up pace with the establishment of 46 additional integrated experimental zones for cross-border e-commerce, the expansion of trials on retail import to 86 cities and throughout Hainan Island, and the launching of 17 new market procurement trade trials. We actively explored new forms of business such as maintenance services in bonded areas and off-shore trade. We successfully hosted the third China International Import Expo and the China International Fair for Trade in Services, and held the

127th and 128th China Import and Export Fair online. Steady progress was made in jointly implementing phase one of the China-US economic and trade agreement.

The two editions of the 2020 negative list for foreign investment regarding the whole country and regarding pilot free trade zones were reduced to 33 and 30 items respectively, with restrictions on market access being further relaxed for services, manufacturing, and agriculture. We issued the 2020 edition catalog of industries open to foreign investment, expanding the scope of investment. We formulated a negative list for foreign investment in the Hainan Free Trade Port, and promoted a higher standard of liberalization and facilitation of investment in this area. Beijing saw a new round of comprehensive trials for further opening up the service sector.

2) *Steady progress was made in advancing the Belt and Road Initiative (BRI).*

We coordinated efforts to contain Covid-19 and to develop overseas BRI projects, with outbound investment generally remaining stable. China signed the cooperation plan with the African Union on jointly promoting the development of the BRI. International cooperation on production capacity and third-party market cooperation were continuously enhanced. In developing the China-Pakistan Economic Corridor, the two countries worked together to successfully coordinate epidemic response and economic development, thereby providing a model of coordination for other BRI projects. Positive results were achieved in the building of the Kyaukpyu Special Economic Zone in Myanmar and the China-UAE Demonstration Park for Industrial

Production Cooperation, and construction progressed steadily on projects to improve connectivity, such as the Jakarta-Bandung high-speed line and the Hungary-Serbia, China-Laos, and China-Thailand rail lines.

We intensified efforts to advance the healthy, green, and digital Silk Road initiatives. China-Europe freight train services continued to develop smoothly, with over 12,000 trips being made despite difficulties, a year-on-year increase of 50%, and the ratio of loaded containers reached 98.4%.

3) Breakthroughs were made in opening-up pacesetter projects.

We issued a comprehensive plan for developing the Hainan Free Trade Port, and worked faster to establish the policy and institutional framework for its development. An additional three pilot free trade zones were set up, including one in Beijing, and the pilot free trade zone in Zhejiang was expanded. Over the course of the past year, 37 institutional innovation practices from pilot free trade zones were applied across the country, bringing the total number of such practices to 260. A total of 12 new integrated bonded areas were established, and another 7 special customs regulation zones were upgraded into integrated bonded areas. Key pilot zones for development and opening up were set up in Baise, Guangxi and Tacheng, Xinjiang.

4) New strides were made toward greater participation in global economic governance.

China has actively introduced its stance and approaches through important multilateral platforms including the BRICS, the UN, the G20, and APEC. We made progress toward the formal signing of the

Regional Comprehensive Economic Partnership (RCEP) Agreement, the China-Cambodia Free Trade Agreement (FTA), and the China-EU Geographical Indications Agreement. The China-Mauritius Free Trade Agreement was put into force as scheduled. Negotiations on the China-EU Comprehensive Agreement on Investment were completed on time, and talks on FTAs with Norway and Moldova were accelerated. China proposed the Global Initiative on Data Security, and promoted international cooperation and exchanges with regard to the digital economy. China has worked actively to develop global partnerships, advanced coordination and cooperation with other major countries, strengthened relations with neighboring countries, and enhanced solidarity and cooperation with other developing countries.

11. We stepped up efforts to ensure that people's basic needs were met.

To address the impact that Covid-19 has had on people's wellbeing, we scaled up investment and ensured full implementation of policies, thereby establishing a more effective social safety net and helping our people live happier and more secure lives. Per capita disposable personal income nationwide increased by 2.1% in real terms.

1) The employment-first policy was thoroughly and effectively implemented.

Employment is pivotal to people's wellbeing. Efforts to protect market entities are also intended to stabilize employment and maintain living standards. We therefore strengthened support for enterprises, lightening their burden and helping them to keep their payrolls stable and create more jobs. We provided support and assistance to market

entities including key industries, to MSMEs, and to self-employed individuals affected by the epidemic. We also worked to increase employment by expanding effective investment.

We worked to ensure employment for key groups through multiple channels, and supported innovation and business startups as a way to increase employment. We carried out job creation demonstration initiatives through boosting innovation and entrepreneurship in social services such as domestic services, elderly care, childcare, rural tourism, and home appliance recycling. We continued to support migrant workers and city dwellers in returning home and moving to the countryside to start businesses.

We supported flexible employment through diversified channels. We scaled up recruitment in individually-owned businesses, SOEs, public institutions, and community-level programs, and enlarged graduate education enrollment, military recruitment, and internships. We encouraged college graduates to enter market-based employment. We coordinated efforts to ensure employment for key groups such as demobilized military personnel and migrant workers. We supported the establishment of 53 regional public training centers in order to help members of key groups upgrade their skills.

2) Efforts to build a Healthy China made solid headway.

The Healthy China initiative was launched, and extensive activities to improve public sanitation were carried out. A comprehensive effort was made to prevent and reduce teenage myopia. Elderly care and childcare services were improved, and people's health literacy has improved markedly.

Construction on regional medical centers got under way, and both the development of medical consortiums and comprehensive reforms in county-level public hospitals proceeded smoothly, with 84% of county-level hospitals either meeting or exceeding standards. It is estimated that the number of beds in medical and healthcare institutions has reached 6.5 per 1,000 people.

Continuous progress was made toward the development of a modern hospital management system, and markups on all consumables sold by public medical institutions were abolished. Coordination between the provision of medical services and medical education was also strengthened. The regional registration system for physicians was improved, with the number of active physicians (physician assistants) and general practitioners estimated at 2.9 per 1,000 people and 2.83 per 10,000 people respectively.

Reforms to centralize the procurement and use of medicines and medical consumables were carried forward in a coordinated way, and solid steps were taken to stabilize the supply and prices of in-demand medicines. The number of essential medicines was increased from 520 to 685.

3) The social security system was further improved.

The number of people covered by the basic old-age insurance schemes for urban employees and for rural and non-working urban residents reached 999 million. The centrally-regulated share of enterprise employees' basic old-age insurance funds was raised from 3.5% to 4.0%, and the collection and spending of funds was jointly managed at the provincial level. Basic pension benefits for enterprise

retirees were steadily increased.

Basic medical insurance schemes for urban employees and for rural and non-working urban residents along with the major disease insurance system were all improved. Significant results were achieved in guaranteeing medical insurance for poor people, and steady progress was made in making dynamic adjustments to the catalog of medicines covered by medical insurance.

Workers' compensation benefits were paid out to 1.85 million employees who had suffered work-related injuries and their dependents. We expanded the scope of unemployment insurance, provided temporary unemployment subsidies, and extended such subsidies to more unemployed migrant workers on a time-limited basis. In 2020, 13.37 million unemployed people received unemployment benefits from varying insurance schemes. A total of 104.2 billion yuan from unemployment insurance funds was refunded in order to help 6.08 million enterprises maintain stable employment, benefiting 156 million employees.

We worked harder to ensure that people's basic needs were met, expanding the coverage of subsistence allowances to all those in need. We introduced the policy on extending the scope of social assistance, promptly increased social security assistance and benefit payments in step with price increases, and stepped up assistance to people who fell into poverty due to Covid-19 and to uninsured workers who had lost their jobs, making sure that assistance could reach all those in need. Subsistence allowances were extended and basic assistance to persons living in extreme poverty was provided to approximately six million

people affected by the epidemic, and more than eight million applications for temporary assistance were approved.

We pushed forward with the renovation of old urban residential communities nationwide, and began the renovation of 40,300 communities, involving 7.36 million households. We consistently improved the housing support system, and began renovations on 2.09 million units of housing in run-down urban areas. We continued to develop the housing rental market in medium and large cities, and worked to help disadvantaged urban residents solve their housing problems.

We took effective and orderly steps to prevent floods and provide disaster rescue and relief.

4) Efforts were redoubled to address inadequacies in public services, strengthen areas of weakness, and improve the quality of services.

We moved forward with the instituting of national standards for basic public services. The gross enrollment ratio for preschool education, the retention rate in nine-year compulsory education, and the gross enrollment ratio for senior secondary education reached 85.2%, 95.2%, and 91.2% respectively. Regular institutions of higher learning enrolled 9.675 million undergraduate students and 1.107 million graduate students.

We worked to ensure that there are at least one or two fully functioning county-level public hospitals in every county, one health clinic in every town and township, and one village clinic in every administrative village.

The development of the Great Wall, Grand Canal, Long March

and other signature national cultural parks was advanced in a coordinated manner. The per capita area of sports venues is estimated at 2.2 square meters, an increase of 4.8%. Comprehensive public service facilities covered 96.4% of urban communities and 83.7% of rural communities, with the area of public service facilities reaching 34.7 square meters per 100 households.

We continued to provide living allowances and nursing care subsidies for people with disabilities, benefiting 11.53 million people with disabilities who face financial difficulties and 14.33 million people who suffer from severe disabilities, and put in place an estimated 4,403 service facilities for people with disabilities.

We further improved the quality and expanded the size of the domestic services sector. The Law on the Protection of Minors was revised, and the rights and interests of women and children were more effectively protected. We promoted the development of service facilities for providing assistance to people living in extreme poverty. We issued the guidelines on promoting the healthy development of elderly care and childcare services and the guidelines on the establishment of a sound comprehensive oversight system to facilitate the high-quality development of elderly care services. We continued to carry out special initiatives for public-benefit elderly care, with the number of nursing home beds of all kinds reaching 8.238 million. We also pushed ahead with the development of public-benefit childcare facilities.

Overall, China achieved positive economic growth in 2020. Projected targets for employment and CPI were satisfactorily met, a basic equilibrium was maintained in the balance of payments, and

indicators of innovation, resource conservation, environmental protection, and people's wellbeing continued to improve. Last year's major objectives and tasks for economic and social development were accomplished.

As a result of five years of persistent effort, the targets and tasks listed in the 13th Five-Year Plan were achieved. A major transformation was achieved in China's economic growth model. China's aggregate economic output exceeded 100 trillion yuan for the first time, and personal income growth stayed generally in step with economic growth. Per capita GDP surpassed US\$ 10,000, 165 major projects were essentially completed, and the material foundation for our country's development was further strengthened. A social security system covering all urban and rural residents was put in place, considerable headway was made in ensuring the provision of equitable, quality education, and ecological conservation also registered significant progress. China's economic strength, scientific and technological capabilities, composite national strength, and living standards attained new heights. Historic achievements were therefore made in building a moderately prosperous society in all respects, and we have taken a giant stride toward the rejuvenation of the Chinese nation.

We owe all of these achievements to the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, to the sound guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and to the efforts of all localities and departments as they dutifully undertook their responsibilities and effectively implemented the decisions and plans of the Party Central

Committee. We also owe all these achievements to the hard work of the Chinese people as they united as one and pressed ahead with a pioneering spirit.

At the same time, we must recognize that there will be profound and complex changes in both the domestic and international landscape in 2021. The world today is undergoing momentous changes of a kind not seen in a century, and such changes are now happening faster and with added complexity due to the Covid-19 pandemic. Long-standing structural problems remain prominent, while new problems arise from the impact of external factors.

First, uncertainties in the epidemic situation will impede further economic recovery. Covid-19 continues to spread globally, and the risk of resurgence and the continuing existence of the virus are objective facts. The international community is faced with the dilemma of choosing between resuming work and production and containing the epidemic. There are still areas of weakness in terms of domestic epidemic control, and the prevention of inbound cases and domestic resurgence has been a constant concern for our country.

Second, a complex and volatile external environment may affect the stability of China's economy. The global economy is expected to gradually recover, but recovery will be neither stable nor balanced. Macro-economic policies adopted by major economies such as quantitative easing are producing spillovers. Global industrial and supply chains are becoming increasingly region and nation-based, and unilateralism and protectionism are continuing to spread. There is still an array of external variables hindering the steady recovery of China's

economy.

Third, the foundations for our economic recovery have yet to be strengthened. Effective demand both in and outside China remains weak, consumer spending is still constrained, growth in investment needs to be sustained, and the foundations for continued recovery of exports are far from strong. Micro, small, and medium enterprises and self-employed individuals are experiencing many difficulties. Most industries and enterprises are still recovering from the shock of Covid-19, and they face many problems in the resumption of work and production that are impeding market circulation and dynamic equilibrium in supply and demand.

Fourth, there are many issues obstructing the creation of new growth drivers. Economic transformation and upgrading along with innovation-driven development are being held back. Keeping industrial and supply chains stable remains a challenging task, and there are still acute bottlenecks hampering our development. The transformation and upgrading of traditional industries is fraught with challenges, the unified domestic market requires further development, and the distribution of resources, production factors, and production capacity need to be improved.

Fifth, there are security risks in key areas which cannot be ignored. Keeping employment stable remains a challenge. Notable imbalances exist between government revenue and expenditure in some localities. Primary-level governments find it hard to ensure basic living needs, the payment of salaries, and normal functioning. The need to make repayments on local government debts persists. The situation

remains challenging with regard to forestalling and defusing financial risks. Enterprises are experiencing greater difficulties in debt repayment. Food and energy security both face new challenges. Improvements in the environment have yet to be consolidated, and there are still quite a few points of weakness in our ability to guarantee people's wellbeing in terms of education, healthcare, elderly services, and childcare.

In addition, there is still room for improvement in our work. For example, we need to further improve our capacity for promoting high-quality economic growth and for creating a new pattern of development. Our policies need to be better coordinated, and the implementation of these policies can be made more effective.

Overall, although we face unprecedented and significant challenges of ever greater complexity, we are also presented with unprecedentedly promising strategic opportunities, and there are more opportunities than challenges. China possesses the notable strengths of the CPC's leadership and its system of socialism with Chinese characteristics. Our economy's long-term positive momentum remains unchanged, and our country is still in an important period of strategic opportunity for development. We have the confidence, foundation, and ability to seek opportunities amid crises and turn challenges into opportunities, and thus to continue to open up new prospects for China's economic and social development.

II. Overall Requirements, Main Objectives, and Policy Orientations for Economic and Social Development in 2021

The year 2021 is of particular importance in China's modernization drive. This year, we will launch the 14th Five-Year Plan and embark on a new journey to build China into a modern socialist country in all respects. Our economic work this year will thus take on added importance.

1. Overall Requirements

To effectively promote economic and social development in 2021, we must, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and implement all guiding principles from the Party's 19th National Congress and the 19th Party Central Committee's second through fifth plenary sessions.

We must remain committed to the general principle of pursuing progress while ensuring stability, ground our efforts in the new development stage, put into practice the new development philosophy, and create a new pattern of development.

We need to take promoting high-quality development as the general aim, furthering supply-side structural reform as the main task, and reform and innovation as the key source of momentum for our endeavors, and make satisfying the people's growing needs for a better life our fundamental goal.

We must continue to apply systems thinking, consolidate and expand the achievements of the Covid-19 response and economic and social development, and better coordinate development and security.

We need to take solid and comprehensive steps to ensure stability on six key fronts and maintain security in six key areas.

We need to implement macro policies in a targeted and systemic way and keep major economic indicators within an appropriate range. We need to continue to expand domestic demand, strengthen science and technology as strategic support for development, pursue high-standard opening up, and ensure social harmony and stability.

By achieving the aforementioned, we will be able to set the stage for the 14th Five-Year Plan and celebrate the centenary of the Communist Party of China with outstanding accomplishments.

In carrying out specific tasks, we need to focus on the following five aspects.

First, we must continue to follow the general principle of pursuing progress while ensuring stability. We must maintain our strategic resolve and keep major economic indicators within an appropriate range, thereby securing people's wellbeing, allowing the people to have a greater sense of fulfillment, happiness, and security, and providing the conditions needed to get the 14th Five-Year Plan off to a good start.

Second, we must continue to respond effectively to Covid-19. We must prevent any large inflow or domestic resurgence of infection, get used to promoting economic and social development along with routine Covid-19 control, and consolidate and build on our achievements in containing the virus.

Third, we must remain committed to the new development philosophy and create a new pattern of development. When implementing the 14th Five-Year Plan, we must apply the new

development philosophy throughout the whole development process and in all sectors. We should execute the strategy of expanding domestic demand and intensify supply-side structural reform in a coordinated way, build up China's scientific and technological strength, push ahead both with adjustments to the economic structure and with industrial upgrading, and promote the green transformation of every area of economic and social development. We should work faster to create a new pattern of development that focuses on domestic circulation and features positive interplay between domestic circulation and international circulation.

Fourth, we must continue to deepen reform and opening up. We should remove all institutional barriers and promote high-standard opening up.

Fifth, we must continue to apply systems thinking. We should give full consideration to both domestic and international imperatives, and well coordinate development and security. We should focus on guarding against and mitigating major risks and on tackling major challenges, and balance the quality, structure, scale, speed, performance, and security of development.

2. Main Objectives

In accordance with the aforementioned overall requirements, and in accordance with the principles of staying firmly rooted in the present while looking ahead to the future, doing everything in our capacity, and balancing what is required with what is possible, we have set the following main objectives for economic and social development in 2021.

- *GDP growth of over 6%*

In setting this goal, we have taken the following factors into account. First, this target is in line with China's economic development goals for the 14th Five-Year Plan period, and is feasible given the comparatively low base rate of growth in 2020. At the same time, we need to remain mindful of worst-case scenarios and keep market expectations stable. Overall, such a target is conducive to ensuring steady, sustainable economic growth. Second, in 2021, the first year of the 14th Five-Year Plan period, as policies and measures are to gradually return to normal following our effective response to Covid-19, a growth target above 6% will guide all sectors to focus on promoting reform, innovation, and high-quality development. Third, we have also considered the conditions for recovery this year. As economic performance returns to normal and stays within an appropriate range, the necessary conditions will be present for this goal to be realized.

- *Over 11 million new urban jobs, and a surveyed urban unemployment rate of approximately 5.5%*

The development of the Chinese economy and the service sector, the increased capacity of economic growth to create jobs, and the effective implementation of the policies for improving the business environment and for supporting flexible employment in particular will provide a solid grounding for attaining the target of creating over 11 million new urban jobs.

With regard to the surveyed urban unemployment rate, we have set a target that is 0.5 percentage points lower than the 2020 target, thereby demonstrating our determination to stabilize employment and our policy focus of putting employment first and ensuring job security.

As economic performance returns to normal and as efforts to stabilize employment intensify, it should be possible to limit the surveyed urban unemployment rate to approximately 5.5%.

Over the past two years, the surveyed urban unemployment rate has become mature enough to accurately reflect the employment situation and replace the registered urban unemployment rate, and therefore we will not set an annual target for the latter at the national level in 2021. Local governments can still decide whether to set a target for the registered urban unemployment rate based on local circumstances.

- *CPI increase of approximately 3%*

A comprehensive assessment of the carryover effect on prices from 2020 and of new inflationary factors in 2021 shows that, overall, China will face an upward pressure on CPI this year that will be smaller than that of last year. After also considering possible increases in the prices of grain, energy, and other major commodities, as well as the need to keep market expectations stable, we have projected a CPI increase of around 3%.

- *Steady growth in personal income*

This objective is a key one if we are to realize common prosperity, meet the people's growing needs for a better life, and embody the people-centered development philosophy. With the performance of businesses improving, and with policies and measures to increase the income of low-income earners and to step up income redistribution beginning to take effect, this year's target for personal income growth is attainable.

- *Stability in the volume of imports and exports, accompanied by an increase in quality, and a basic equilibrium in the balance of payments*

This objective is an important one if we are to properly respond to the complex, changing international situation, create a new pattern of development, and promote high-standard opening up. It is also an attainable one given that China's industrial and supply chains are steadily recovering, our exports are becoming more competitive, and new forms of business like cross-border e-commerce are flourishing.

- *A drop of around 3% in energy consumption per unit of GDP, and continued reductions in the discharge of major pollutants*

We have considered both what is needed and what is possible in setting the target of an approximate 3% drop in energy consumption per unit of GDP. This target is in line with goals of the 14th Five-Year Plan and will help ensure China reaches peak carbon dioxide emissions by 2030.

- *Grain output above 650 million metric tons*

Food security is closely linked to China's development and stability and to the people's wellbeing. After comprehensive consideration of China's domestic demand and overall production capacity, the changes in the international food market, our desired degree of self-sufficiency, and the targeted increase in output in 2021, we have set the target of maintaining grain output above 650 million metric tons. This will allow us to keep market expectations stable and to consolidate the foundations upon which food security rests. We will also keep total crop

acreage stable and strive to increase yield per unit area.

3. Macro Policy Orientations and Priorities

To achieve the abovementioned objectives, it is imperative that we maintain the continuity, consistency, and sustainability of macro policies and keep major economic indicators within an appropriate range. We will strengthen targeted, well-timed, and precision regulation on the basis of range-based regulation. We will continue to ensure macro policies alleviate difficulties of market entities and maintain necessary policy support for achieving this goal. We will avoid sharp turns in policy; instead, we will make adjustments and improvements based on new developments to reinforce the fundamentals of the economy.

We will continue to pursue a proactive fiscal policy, a prudent monetary policy, and an employment-first policy. We will make full use of reform policies, continue to refine the combined use of macro policies as the situation requires, and improve the timing, intensity, and efficacy of policies. This will allow us to realize high-quality development and to thereby get the 14th Five-Year Plan off to a good start.

- *We will enhance the quality, efficiency, and sustainability of our proactive fiscal policy.*

In view of the effective containment of Covid-19 and gradual economic recovery, we have set the deficit-to-GDP ratio for the year at around 3.2%, slightly lower than that of last year. No Covid-19 bonds will be issued. As government revenue rebounds, total government expenditures will be higher this year than last. We will continue to give priority to increasing support for the efforts to ensure employment,

living standards, and the operations of market entities.

Continued cuts will be made in central government expenditures, including considerable reductions to outlays on non-essential and non-obligatory items. General transfer payments to local governments, however, will be increased by 7.8%, which is significantly higher than last year. This will include growth of more than 10% in both transfer payments for equalizing access to basic public services and in rewards and subsidies to ensure basic funding for county-level governments.

We will make it a normal practice to directly allocate budgetary funds to prefecture- and county-level governments and place more funds under this mechanism. This year, 2.8 trillion yuan of central government funding will be allocated in this way to provide timely and strong fiscal support to these local governments. We should practice fiscal frugality in the best interests of the people. We should continue to tighten our belts, ensure continued increases in spending to meet basic living needs, and help energize market entities.

We will continue to implement and improve tax reduction policies, implement institutional tax cut policies, extend the duration of several temporary policies such as VAT relief for small-scale taxpayers, and adopt new policies on structural tax reductions to offset the impact of some policy adjustments.

The VAT threshold for small-scale taxpayers will be raised from 100,000 yuan to 150,000 yuan in monthly sales. On the basis of preferential policies already in force, we will further reduce income tax by half for micro and small enterprises and self-employed individuals on their annual taxable income below 1 million yuan.

- *We will keep our prudent monetary policy flexible and targeted and at a reasonable and appropriate level.*

We will give even greater priority to serving the real economy, and balance the needs of promoting economic recovery and preventing risks. We will see that increases in money supply and aggregate financing are generally in step with economic growth in nominal terms, maintain a proper and adequate level of liquidity supply, and keep the macro leverage ratio generally stable. We will keep the RMB exchange rate generally stable at an adaptive, balanced level.

Further steps will be taken to address the financing difficulties of micro and small enterprises. We will continue the policy of allowing micro and small enterprises to defer principal and interest repayments on inclusive-finance loans, and increase support for inclusive finance via re-lending and rediscounting.

We will continue the policy of providing rewards and subsidies to reduce financing guaranty fees for micro and small businesses, and improve mechanisms for risk sharing and compensation for loan defaults. We will move faster to promote the sharing of credit information.

The assessing and evaluating of the performance of financial institutions will be improved, and we will ensure that those who have fulfilled their duties are not held accountable.

Banks will be encouraged to increase credit loans and first-time loans. We will extend the pay-as-you-go lending model, channel more funds into scientific and technological innovation, green development initiatives, micro and small enterprises, self-employed individuals, and

new types of agribusiness, and provide targeted support for enterprises and industries enduring a sustained impact from Covid-19. Inclusive loans to micro and small businesses by large commercial banks will increase by over 30% this year.

New models for providing supply chain financial services will be developed. Appropriate reductions will be made to transaction fees levied on micro and small businesses. We will improve regulation over deposit rates, further lower loan interest rates in real terms, and continue to guide the financial sector in giving more to the real economy. This year, we must see that micro and small businesses have easier access to financing, and that their overall financing costs drop steadily.

- We will continue to improve the employment-first policy to enhance its performance.*

We will work to keep the employment situation stable. We will continue to provide adequate fiscal, tax, and financial policy support to businesses that do not cut jobs or only cut a small number of them. We will further reduce premiums for unemployment insurance and workers' compensation, and expand the scope of time-limited policies aimed at helping businesses maintain payrolls, such as the refunding of unemployment insurance premiums. The duration of policies on work-based training organized by companies will be extended.

We will broaden channels for creating market-based employment, and leverage the role of business startups in boosting employment. The thresholds for obtaining employment will be lowered, and we will improve the national catalog of professional qualifications on a

continuing basis, and relax or lift the years-of-experience requirements for taking qualification examinations for some license based professions.

We will support the development of new forms of employment and keep such employment well-regulated; and we will move faster to advance trials of occupational injury insurance. We will continue to subsidize contributions to social insurance made by workers in flexible employment, and allow people to access social security in the locality where they work even if they do not hold local residency.

We will work to ensure employment for key groups such as college graduates, demobilized military personnel, and rural migrant workers, improve policies on employment support for people facing difficulties like those with disabilities and members of zero-employment families, and help unemployed people find work.

We will expand the scope of use for vocational skills training funds, launch large-scale, multi-level vocational skills training programs, and complete the goals of the three-year initiative on providing vocational skills training and expanding enrollment in vocational colleges. A number of bases for training highly-skilled personnel will be opened. An initiative will be carried out to boost the quality of employment services.

We will use employment subsidies and other funds to support the development of labor, talent, and casual labor markets, so as to widen the avenues of employment and enable people who are willing and able to work to find more equitable job opportunities.

In addition, we will step up coordination and collaboration between macro policies, and promote synergy between fiscal, monetary, employment, industrial, investment, consumption, environmental,

regional, and reform policies. We will fully leverage the key role of effective investment, improve the management of expectations, bolster market confidence, and pool resources and efforts in order to accomplish major, difficult, and urgent tasks.

Regarding reform policies, we will focus on boosting market dynamism, promote better interplay between an efficient market and a capable government, and move faster to push forward reforms that are conducive to a more efficient allocation of resources, to keeping everyone motivated, and to improving the quality and performance of development. We will stay problem-oriented as we carry forward reforms in key areas and sectors to enhance China's innovation capacity, to advance balanced development, to improve the environment, to promote high-standard opening up, and to ensure that the fruits of development are shared by everyone.

III. Major Tasks for Economic and Social Development in 2021

In 2021, we will thoroughly implement the Party Central Committee's guidelines, plans, and policies for economic and social development for the 14th Five-Year Plan period, put into practice the guiding principles of the Central Economic Work Conference, and complete the tasks outlined in the Report on the Work of the Government. We will ensure that we have an accurate understanding of the new development stage, put into practice the new development philosophy, accelerate the creation of a new pattern of development, and coordinate development and security. We will focus our work on

the following areas.

1. Implementing the policy of preventing inbound cases and domestic resurgences while ensuring effective routine Covid-19 control

We will ensure the close integration of routine, targeted prevention with local emergency response efforts, while improving our ability to deal with sudden new developments in the epidemic situation.

1) We will continue to optimize routine epidemic prevention measures.

We will make the prevention of inbound cases our number one priority. We will strictly enforce pre-departure prevention and control measures for China-bound travellers, improve the public health system at ports of entry, and ensure full nucleic acid testing coverage of inbound travellers before they enter the country. We will strengthen the preventative disinfection of cold chain foods and other imported goods, and intensify nucleic acid tests for personnel, environments, and goods at key locations. We will improve imported cold chain product tracing capabilities at both the national and provincial levels.

We will strengthen nucleic acid testing capabilities to meet the demands of routine epidemic control. We will push forward the research and production of vaccines as well as immunization in a science-based manner, while at the same time guaranteeing their safety and effectiveness. The principle of early detection, reporting, quarantine, and treatment will be strictly observed. We will further improve the treatment of the disease. We will promptly release epidemic information in order to guarantee transparency.

2) We will move faster in improving the national public health emergency management system.

We will put into effect the plan for improving the public health emergency supply system along with the plan for strengthening public health capacity with regard to epidemic control and treatment, and increase our preparedness in terms of materials and technology.

We will strengthen public health infrastructure and improve the response system for public health emergencies. We will reform and improve the operating mechanisms of the disease prevention and control system, and refine the infectious disease and public health emergency monitoring systems.

We will optimize the distribution of medical resources and health workers, create a graduated, region-specific system for the treatment of major epidemics, and improve our ability to deal with major public health emergencies. We will support the construction of medical waste disposal facilities.

3) We will actively promote international cooperation on epidemic control.

We will support the World Health Organization in pooling resources and ensuring the effective and equitable distribution of vaccines. We will continue supporting countries and regions with weak response capabilities, continue to play our role as the world's largest supplier of epidemic supplies, and promote the development of a global health community.

2. Accelerating the development of science and technology toward greater self-reliance and working to upgrade industrial foundations and

modernize industrial chains

We will strengthen our strategic science and technology capabilities. We will continue to boost basic research, applied research, and the commercial application of scientific and technological achievements in order to increase the core competitiveness of Chinese industry. China's spending on R&D will increase by over 7% this year.

1) We will strengthen our capacity for scientific and technological innovation.

We will accelerate the construction of national laboratories and the reorganization of the system of key national laboratories. We will promptly formulate a 10-year action plan for basic research with the focus on developing a number of basic research centers. We will strength research on core technologies in key fields and carry forward the Sci-Tech Innovation 2030 Agenda. We will reform the way in which major science and technology projects are implemented, and extend the open competition mechanism of selecting the best candidates to lead these projects. We will formulate and implement a medium- and long-term national plan for scientific and technological development (2021-2035).

We will guide the development of new types of infrastructure, and accelerate innovation in artificial intelligence, quantum information, brain science, and bio-breeding.

We will move faster to turn Beijing, Shanghai, and the Guangdong-Hong Kong-Macao Greater Bay Area into international science and technology innovation centers. We will vigorously promote the development of the Huairou, Zhangjiang, Hefei, and Greater Bay Area

comprehensive national science centers, and formulate a high-quality plan for developing the Chengdu-Chongqing area into a science and technology innovation center with nationwide influence. We will strengthen the innovation and development capabilities of national innovation demonstration zones, new- and high-tech industry development parks, and economic and technological development zones. We will optimize the distribution of national industrial innovation centers, technological innovation centers, manufacturing innovation centers, engineering research centers, and enterprise technology centers.

We will organize the implementation of integrated innovation demonstration projects, encourage large enterprises to share resources, scenarios, applications, and innovation demands with small and medium enterprises, and create an innovative and entrepreneurial ecosystem that is integrated with industrial and supply chains.

We will make use of the mechanism for providing preferential tax treatment to encourage enterprises to increase R&D spending, and continue to implement the policy of granting 75% extra tax deductions on enterprise's R&D costs while introducing a 100% deduction for manufacturing enterprises.

We will continue to encourage business startups and innovation, and support the building of demonstration centers for entrepreneurship and innovation. We will ensure the success of the National Entrepreneurship and Innovation Week and of the Entrepreneurship and Innovation Day in 2021. We will foster a culture of innovation and entrepreneurship characterized by dedication, pursuit of perfection, a keen focus, and

tolerance for failures, and refine mechanisms that encourage a process of trial-and-error.

We will further reform the system for science and technology management, coordinate the allocation of projects, centers, personnel, and funds, and increase people's scientific knowledge. We will improve the incentive system for scientific and technological personnel and the mechanism for evaluating advances in science and technology, and help young people to form the main body of our scientific research efforts. We will continue with comprehensive innovation reforms.

We will improve the stable functioning of funding mechanisms for basic research and boost spending in this area by a considerable amount. The central government expenditures on basic research will be increased by 10.6%. We will improve financial support for innovation and direct more investment into basic research, R&D, and the commercialization of new advances.

2) We will revitalize and develop the real economy.

We will implement a new five-year plan to enhance the core competitiveness of the manufacturing industry, launch an initiative to develop advanced manufacturing clusters, and create pilot zones for the high-quality development of manufacturing. We will refund all due VAT credits to advanced manufacturing enterprises on a monthly basis, raise the proportion of loans to the manufacturing sector, and increase investment in equipment upgrades and technology transformations in this sector. We will accelerate the structural adjustment and green transformation of key industries, press ahead with the development of clusters of strategic emerging industries, and enhance technological

innovation and public services.

We will implement the policies on the high-quality development of the integrated circuit and software industries in the new era. We will strengthen industry management to promote the robust and orderly development of new-energy vehicles, while also accelerating the development of infrastructure, industrial environment, and other supporting systems for intelligent vehicles. We will move faster in expanding the new energy industry, and enhance our capacity for new energy absorption and storage.

We will vigorously develop and expand the bioeconomy and promote the integrated development of biotechnology. We will speed up R&D and the industrial production of urgently needed medicines and high-end medical equipment.

We will promote the large-scale application and industrial development of the Beidou Navigation Satellite System. We will gradually internationalize and modernize our aviation supply chains.

We will continue with the trials for the integrated development of advanced manufacturing and modern service industries. We will make full use of the industrial internet, industrial software, and new-generation information technology in accelerating the development of manufacturing services.

We will improve the recycling system for old home appliances and facilitate the production-consumption-recycling chain for home appliances.

We will protect and develop China's time-honored brands, and ensure the success of 2021 Chinese Brands Day.

Box 7: Major Measures to Revitalize and Develop the Real Economy

<p>Increasing the Core Competitiveness of the Manufacturing Industry</p>	<ul style="list-style-type: none"> • Promote breakthroughs and industrialization in key areas like high-end new materials, industrial machine tools, major technological equipment, smart manufacturing and robotic technology, new-energy and intelligent vehicles, high-end medical equipment and novel drugs, agricultural machinery and equipment, and industrial software
<p>Optimization and Upgrading of Traditional Industries</p>	<ul style="list-style-type: none"> • Develop advanced, appropriate, and unique technologies • Increase investment in equipment upgrades and technology transformations of manufacturing enterprises, and encourage traditional industries to become higher-end, smarter, and more eco-friendly • Improve and upgrade industrial chains and build on strengths in industrial and supply chains
<p>Structural Adjustments in Major Industries</p>	<ul style="list-style-type: none"> • Continue supply-side structural reform of the steel industry, and promote mergers and reorganization along with transformation and upgrading in the industry • Promote the cluster development and optimize the distribution of the petrochemical industry, and increase supplies of essential chemical products • Enhance macro-guidance of the automobile industry and curb blind investment and redundant construction
<p>Faster Development of Manufacturing Services</p>	<ul style="list-style-type: none"> • Provide specialized, comprehensive, society-wide services for the manufacturing industry by strengthening innovation, optimizing supply quality, increasing production efficiency, supporting green development, invigorating development, and promoting the use of innovative applications in supply chains

3) We will gear up digitalized development.

We will develop the digital economy, both develop digital industry and transform industries with digital technologies, and create internationally competitive digital industry clusters. We will develop data markets and give full play to the key role of data as a factor of production. We will develop a digital government, carry out major projects to build an IT-enabled government, and accelerate the creation of a top-class, digitalized business environment.

We will press on with the construction of an integrated national system of big data centers, ensure the sound distribution of data centers, and promote the orderly flow and innovative application of data resources. We will actively participate in the formulation of international digital rules and standards.

Box 8: Measures to Promote Development of the Digital Economy

<p>Sound Policies and Institutions</p>	<ul style="list-style-type: none"> • Formulate a development plan for the digital economy during the 14th Five-Year Plan period • Introduce policies for promoting “Internet Plus” in the new era • Strengthen guidance on the integration of the digital economy and the real economy, and further mobilize public enthusiasm
<p>Realizing the Value of Data</p>	<ul style="list-style-type: none"> • Establish basic systems and standards and norms for the ownership rights, trade, and flow of data, and advance the role of data as a new factor of production • Promote the marketization reform of data and encourage its safe and efficient usage • Create a robust coordination mechanism for the sharing of data, push ahead with effective data sharing, and promote more fluid and precise administrative data sharing
<p>Digital</p>	<ul style="list-style-type: none"> • Formulate a plan for the smart, green, and digital

<p>Transformation of Industry</p>	<p>transformation of industry, promote the innovative development of the industrial internet, and drive the development of advanced manufacturing clusters</p> <ul style="list-style-type: none"> • Boost the development of e-commerce in a digital, smart, and online-based manner • Support the nationwide construction of centers for promoting digital transformation
<p>Development of Digital Industry</p>	<ul style="list-style-type: none"> • Vigorously develop new industries and new types of business such as artificial intelligence, big data, cloud computing, and blockchain • Foster a fair and ordered development environment, and promote online and offline integrated development • Guide the healthy and orderly development of the sharing and platform economies
<p>Coordinated Progress in Pilot and Demonstration Projects</p>	<ul style="list-style-type: none"> • Review the results of the digital transformation partnership initiatives, organize a new round of initiatives, and work to resolve outstanding problems hindering digitalization • Develop pilot zones for the innovative development of the digital economy and spread useful practices and approaches for developing the digital economy
<p>International Cooperation</p>	<ul style="list-style-type: none"> • Promote the building of a Digital Silk Road, develop new partners in the digital sphere, and support and encourage international cooperation with regard to smart cities, e-commerce, and other areas of the digital economy • Actively participate in the establishment of international norms such as taxation principles for data security, digital currencies, and the digital economy

4) *We will enhance self-reliance in industrial and supply chains. We will promote greater synergy between industry, academia, research, and application, while supporting enterprises to take the lead*

in establishing innovation consortia and undertaking major national science and technology projects.

We will coordinate efforts to shore up areas of weakness and to consolidate our strengths, and launch an initiative to bolster manufacturing industrial and supply chains. We will intensify research on key technologies to strengthen weak links and resolve bottlenecks in certain areas.

We will rebuild our industrial foundations and improve innovation with regard to key basic materials, basic spare parts and components, advanced fundamental techniques, basic industrial technologies, and basic industrial software.

We will implement the plan for the strengthening of partners across industrial chains. We will strengthen top-level design and get applications and overall systems to lead research and advances. We will strengthen the supply of generic technologies and carry out initiatives to improve overall quality.

We will step up international cooperation with regard to industrial security. We will advance the building of an international platform for cooperation regarding industrial and supply chains, and work to increase the stability and diversification of global production chains.

3. Executing the strategy of expanding domestic demand and accelerating the creation of a strong domestic market

We must pursue with dedication supply-side structural reform as our main task while at the same time paying close attention to demand-side management, so as to achieve a more desirable dynamic balance between supply and demand that allows each to boost the

other.

1) We will stimulate domestic consumer spending.

We will improve the pay rise mechanism and increase the buying power of consumers. We will abolish, in an orderly manner, administrative regulations that restrict consumer spending, promote a shift from regulating the purchase of consumer goods like motor vehicles to regulating their use, and abolish excessive restrictions on sales of second-hand vehicles. We will increase the market share of new-energy vehicles, build more car parks and electric vehicle battery charging and swapping facilities, and develop the system for recycling power batteries at a faster pace. We will encourage the purchase of automobiles in rural areas and the replacement of old vehicles, old home appliances, and old furniture with new purchases. We will stimulate spending on home renovation.

We will work to boost the consumption of services in areas such as healthcare, culture, tourism, and sports. We will encourage faster development of new forms and models of consumer spending, such as online diagnosis and treatment, online teaching, in vitro diagnostics, remote work, general aviation, and smart sports. We will propel the growth of both online and offline consumption. We will encourage platform companies to reduce their service fees as appropriate.

We will fully tap into the consumption potential of county and township residents, strive to enhance the availability and quality of e-commerce and express delivery services in rural areas, and modernize the distribution of agricultural products. We will work to facilitate the flow of industrial goods to rural areas and the flow of farm produce to

cities, strengthen weak links in cold-chain logistics facilities for agricultural products, and build supply chains that link farmers to markets. We will encourage the branding, standardization, and digital and industrial transformation of rural products and services, and encourage urban residents to spend more in rural areas.

We will improve mechanisms for promoting broader use of energy-efficient and environmentally friendly products, and increase the market share of green products. We will develop major international consumer cities and regional consumer centers. We will move forward with the high-quality upgrading of pedestrian streets. With the focus on developing a sound credit system, we will strengthen protection of consumer rights and interests and create a favorable environment for consumption.

2) We will enhance the sustainability of growth in investment.

Acting on the principle that funding and other production factors should follow specific projects, which should follow specific plans, we will expedite the implementation of major national projects of strategic importance, and ensure the provision of funds, land, and other factors for major projects.

We will allocate 610 billion yuan from the central government budget, an increase of 10 billion yuan over that of the previous year, giving full play to the guiding and catalytic role of these funds in areas that generate considerable spillover and social benefits. This year, 3.65 trillion yuan of local government special bonds will be issued. The scope of use for such bonds will be expanded as appropriate, with priority given to funding for key projects already under construction. We will

encourage the whole of society to make investments and create a market-driven, self-generating investment mechanism.

We will advance the reform of the investment approval system and carry out law enforcement inspections in the field of investment, while also stepping up the development and application of online platforms.

We will increase investment in new types of infrastructure and formulate plans for the development of 5G networks, data centers, basic software, and space infrastructure. We will support the construction of urban flood prevention and drainage facilities and strengthen flood control in urban areas. We will steadily move forward with the construction of the Sichuan-Tibet railway, new land-sea transit routes for the western region, and other major projects. We will improve the distribution of airports, speed up the preliminary work for a new channel for the Three Georges water transportation hub, implement national water and waterway network projects, and advance major energy projects such as oil, gas, and electricity in an orderly manner.

We will prudently carry out REITs trials in infrastructure to put idle assets to use and to create a positive investment cycle. We will standardize and promote the public-private partnership (PPP) model and attract more private capital.

3) We will accelerate the development of a modern distribution system.

We will speed up the development of hardware and software for the distribution system, upgrade infrastructure networks, develop new technologies, business forms, and models, and improve related

regulations and standards, with a view to forming a unified national market.

We will continue strengthening the development of major logistics infrastructure such as national logistics hubs and national backbone cold-chain logistics centers, carry out initiatives to promote the high-quality development of commodity logistics, and develop a modern logistics system.

We will build on the progress that has already been made in cutting logistics taxes and fees, improve trunk railway and waterway logistics routes, optimize the freight transportation structure, and actively develop multimodal transportation and smart logistics. We will also move forward more rapidly with the project to roll out express delivery services in rural areas.

We will develop and strengthen modern logistics enterprises, strengthen capacity building in international aviation freight transportation, and expand global logistics service networks. We will create a safe and reliable supply chain system of modern international logistics and develop a system for both online and offline tracing of major products.

4. Advancing reform in key sectors and links and promoting better interplay between an efficient market and a capable government

In order to resolve prominent problems affecting development, we will make reforms more strategic, forward-looking, and targeted, so that they are better able to meet the needs of development and the expectations of primary-level organizations, and thus better able to win popular support.

1) We will work faster to develop a market system with high standards.

We will put into effect the action plan for developing a high-standard market system. We will release the revised Negative List for Market Access (2021) and improve and maintain the “national unified list” management model. We will carry out market entry efficiency evaluations, expedite trials for easing market access, and introduce special measures to lift restrictions on market access in Hainan, Shenzhen, and other areas.

We will improve the competition policy framework and the fair competition review mechanism, strengthen law enforcement in relation to monopolies and unfair competition, guard against disordered capital expansion, and strive to create a fair and impartial environment in which all market entities are treated as equals and engage in fair competition.

We will conduct experiments on holistic reform of the market-based allocation of production factors, and push forward institution building for factor markets. We will carry out reform and innovation trials of public bidding, and intensify efforts to overhaul local regulations and rules in this area. We will further the reform of the land administration system, actively explore the implementation of the system for marketing rural collective land designated for business-related construction, encourage appropriate changes in the industrial purposes of land, and establish a sound mechanism for evaluating land use approval by provincial people’s governments.

We will open up social mobility channels for talent and for the labor

force as a whole, and further the reform of personnel assessment, vocational qualification and professional title evaluation, and other personnel management systems. We will also improve the system of multi-tiered capital markets.

We will strengthen property protection, and particularly intellectual property protection. We will improve the system of property rights over scientific and technological outputs produced on the job, advance the reform of the rights to use, dispose of, and profit from scientific and technological advances, and continue with the trials of granting researchers property or permanent use rights over scientific and technological outputs produced on the job. We will establish agencies for trading intellectual property rights and scientific and technological output property rights.

We will formulate and release guidelines for the development of data markets, formulate standards for safe online data processing and other national standards, and launch a data security law and a personal information protection law.

2) We will further transform the functions of government.

We will continue to develop a more market-oriented, law-based, and internationalized business environment. We will practice list-based management for all items requiring administrative approval. We will advance the reform for separating operating permits from business licenses, and devote major efforts to reducing preconditions, procedures, documents, and time required in the review and approval of enterprises' applications.

The system for deregistering MSMEs with simplified procedures will

be improved. We will reform the system of market access for industrial products, and advance reform of the entire management process, from production access to marketing, for the automobile, electronic, and electric appliances industries.

We will work to make government approval for every stage of a construction project procedure-based, and further cut and regulate the items and conditions required for such approval.

We will deepen the reform of industry associations and chambers of commerce. We will improve the new, credit-based regulatory mechanism, and further refine the mechanism of joint incentives for acts of good faith and joint punishment for acts of bad faith. We will establish a sharing and integration mechanism for public credit information and financial information, improve the national credit-based comprehensive loan service platform, and expand the volume of credit loans. We will introduce the credibility commitments system nationwide, and put the development of the social credit system on a more solid legal footing.

We will work to make government services more standardized, procedure-based, and accessible, set up a sound coordination mechanism for sharing government data, expand the application and promote the mutual accreditation of electronic licenses and certificates nationwide, and ensure more government services are accessible online and via cellphone apps and require only one application process.

We will shorten the time needed for starting a business. We will support provincial governments in piloting separate registration of corporate domiciles and places of operations. We will achieve full-

process online trading of public resources across the country. We will further improve the mechanism for assessing China's business environment, conduct business environment assessment and dynamic monitoring, and compile and release the 2021 China business environment report.

3) We will reduce enterprises' production and operating costs through reform.

We will advance the reform of basic industries like energy, transportation, and telecommunications to make service provision more efficient and reduce charges. All manufacturing enterprises will be allowed to engage in market-based electricity transactions. Further steps will be taken to cut unjustified surcharges on electricity use, with further reductions in the electricity rates for general industrial and commercial businesses.

Average rates for broadband and dedicated internet access services for SMEs will be lowered by a further 10%. We will introduce differentiated pricing at expressway tolls for freight transportation vehicles for different times of day and different sections of road. The port development fee will be abolished. Airlines' contributions to the civil aviation development fund will be cut by a further 20%.

Governments in localities that were strongly impacted by Covid-19 will be encouraged to lower or waive rentals on state-owned property for micro and small businesses in the service sector and for self-employed individuals. Various intermediary agencies will be urged to make public their terms of service, procedures, timeframes, and charges. Unjustified growth in non-tax government revenue will be

strictly checked, and tough steps will be taken to end arbitrary charges, fines, and quotas.

4) We will strive to boost the vitality of market entities.

We will continue with the three-year action plan for SOE reform, accelerate the improved distribution and structural adjustment of the state-owned sector, both vigorously and prudently advance the mixed ownership reform of SOEs, and improve the state-owned assets oversight system that focuses on state capital.

We will foster a cordial and clean relationship between government and business, provide equal protection of the property rights of private businesses and the rights and interests of entrepreneurs in accordance with law, and nurture an entrepreneurial spirit. We will move faster to develop world-class enterprises, increase the ability of SMEs to innovate and to raise their professional competence, and develop a group of SMEs that apply special, sophisticated techniques to produce unique and novel products.

We will strengthen inclusive financial services for micro and small businesses, enforce regulations on ensuring payments owed to SMEs, and protect the lawful rights and interests of MSMEs.

We will push forward market-based reforms in the competitive areas of energy, railway, telecommunications, and other industries, and intensify reform of the regulatory system for natural monopoly businesses. We will work faster to develop a national unified electricity market, and carry out comprehensive trials for market-based railway reform.

5) We will further the reform of the fiscal, financial, and pricing

systems.

We will improve the budget management system, strengthen budget constraints and performance management, promote greater budget transparency, and streamline the procedures for accessing preferential tax and fee policies. The reform plan for defining the respective fiscal powers and expenditure responsibilities of central and local governments will be implemented. We will move forward more rapidly with the collection of excise tax further downstream in the production-to-consumption process, and steadily hand over the collection of this tax to local governments.

We will modernize the central bank system, improve the mechanism for regulating the money supply, and prudently advance R&D on digital currencies. We will ensure financial institutions improve their corporate governance, continue the reform of state-owned commercial banks, support the sustained and healthy growth of small and medium banks and of rural credit cooperatives, and reform and improve policy-backed finance. We will increase the proportion of direct financing. We will steadily push forward the reform to introduce the registration-based IPO system to the main board and new third board, improve delisting as a normal practice, improve the overall quality of listed companies, and promote the healthy development of capital markets.

We will push further ahead with price reforms in energy, resources, and other key sectors, and strengthen oversight and review of costs in sectors in which monopolies exist. We will continue with the reform of electricity prices, develop a sound pricing mechanism for the pipeline transmission of oil and gas, and actively advance the price reform of

water resources.

5. Promoting high-standard opening up and developing new institutions for a higher-level open economy

We will promote the liberalization and facilitation of trade and investment, and enhance international cooperation for mutual benefit by leveraging the strengths of China's huge market.

1) We will stabilize the overall performance of foreign trade and foreign investment.

We will provide more policy support for foreign trade to maintain the volume of trade and to instill confidence in market entities. We will advance the innovative development of trade, while optimizing the structure of domestic markets and better positioning ourselves on the international market. We will improve the commodity mix, the ways of conducting trade, and the quality of exports, and increase imports of high-quality products.

We will enforce to the letter the Foreign Investment Law along with the regulations for its implementation in order to protect the legitimate rights and interests of foreign investors, and improve the management system of pre-establishment national treatment plus a negative list as well as the system for conducting national security reviews of foreign investments. We will further reduce the items on the negative list for foreign investment and implement the 2020 catalog of industries for foreign investment, and encourage foreign companies to invest in advanced manufacturing, in new and high technologies, in the energy conservation and environmental protection industries, and in the central and western regions.

We will improve the supporting system for the use of the RMB, and expand the bidirectional, high-quality opening up of the financial market.

2) We will promote the high-quality development of the BRI.

We will act on the principle of achieving shared growth through consultation and collaboration, promote green, open, and clean values, and increase pragmatic cooperation.

We will ensure sound Covid-19 control with regard to overseas projects, and advance the development of the healthy, green, and digital Silk Road initiatives. We will work to improve the quality and performance of outward investment, and promote the sound development of funds for outward investment and financing.

We will look to strengthen coordination with key countries and regions with regard to development plans to increase cooperation on production capacity. We will move forward with the orderly development of overseas economic and trade cooperation zones. We will push ahead with railway, port, energy and other major projects aimed at enhancing connectivity, develop the China-Pakistan Economic Corridor to a high standard, and advance the China-Mongolia-Russia economic corridor and other major projects in a steady and orderly manner. We will broaden third-party market cooperation with the European Union, Singapore, the Republic of Korea, and Japan, and sign agreements with relevant countries on major third-party market cooperation projects. We will also continue to cooperate with international organizations on the BRI.

We will take proactive measures to prevent and respond to risks,

and effectively protect the legitimate rights and interests of Chinese enterprises with regard to their outward investments and overseas operations.

We will expand cooperation on the Silk Road E-Commerce initiative. With regard to the China-Europe freight train services, we will work to achieve an increase in transport capacity, advance the construction of transportation hubs, expand port capacity, build overseas warehouses, move forward with the demonstration projects for assembly centers, and look to further develop inter-governmental cooperation mechanisms. We will work with Singapore on a cooperation plan for building the New International Land-Sea Trade Corridor, and connect this corridor to the Lancang-Mekong Cooperation framework.

We will develop Xinjiang and Fujian into core regions of the BRI by focusing on the unique strengths of each region, and further integrate regional development strategies such as the Yangtze Economic Belt with BRI projects. We will ensure that the narrative of international cooperation on the BRI reaches a wider audience.

3) We will speed up the development of pacesetters for opening up.

We will give pilot free trade zones greater decision-making power over reform, and ensure the implementation of pilot reforms, so as to achieve more institutional innovation results that can be replicated and applied in other areas. We will promote the integrated development of special customs regulation zones and pilot free trade zones.

We will make steady progress in developing the Hainan Free Trade Port, ensure that preliminary policies and plans are carried out, press ahead with legislation on the port, and develop Hainan into an

international tourism and shopping destination.

We will make further progress in the development and opening up of border areas, and support their establishment of key experimental development and opening up zones.

We will step up trials for innovative development of trade in services, and ensure that more cities become trendsetters in providing outsourcing services for foreign clients.

4) We will actively participate in global economic governance.

China will continue to safeguard the multilateral trade system, support the G20 in enhancing international economic cooperation, actively participate in the reform of the World Trade Organization, and promote reform of the global financial system.

We will implement the strategy of upgrading free trade zones, and build a globally-oriented network of high-standard zones. We will work for the early entry into force and implementation of the Regional Comprehensive Economic Partnership, sign and implement the China-EU Comprehensive Agreement on Investment, accelerate China's free trade negotiations with Japan and the Republic of Korea, and provide greater support to the African Continental Free Trade Area. We will actively consider joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

6. Stepping up rural revitalization in all areas and steadily promoting the modernization of agriculture and rural areas

We will consolidate our achievements in poverty alleviation, prioritize the development of agriculture and rural areas, and plan and advance agricultural and rural modernization in a coordinated way.

1) We will combine consolidating and building on our achievements in poverty alleviation with the revitalization of rural areas.

For counties lifted out of poverty, a five-year transition period will apply to them from the time when poverty was eradicated there, during which major assistance policies for them will remain unchanged. We will improve our monitoring and assistance mechanisms to prevent people from falling back into poverty, so that we can identify problems among the target population and provide timely assistance. We will ensure follow-up support for people who have relocated from inhospitable areas, improve infrastructure in large resettlement areas, and continue to increase employment- and industry-based support.

We will increase rural revitalization support for counties that have recently eliminated poverty and carry out the initiative to upgrade their planting and animal husbandry industries by making use of their local strengths, while encouraging the purchase of products from these areas. Work-relief programs will be expanded for agricultural and rural infrastructure projects so as to help more people who have recently escaped poverty and who have low incomes to find jobs in their hometowns or in nearby areas. We will continue and improve mechanisms for east-west cooperation and paired assistance, as well as for the involvement of nongovernmental actors in such assistance. We will ensure that regular assistance is available for the low-income rural population.

2) We will continue the food crop production strategy based on farmland management and technological applications.

We will carry out a new plan for developing high-quality farmland.

Taking into account water resources and the mandatory limits on their use, we will build 6.67 million hectares of high-quality farmland that give high and steady yields regardless of drought or excessive rains. We will implement a national initiative for the protection of chernozem soils and promote conservation tillage.

We will support the protection, development, and use of germplasm resources, implement projects to upgrade the modern seed industry, move forward with industrial applications of bio-breeding in an orderly manner, and build up seed production centers and centers for cultivating superior crop varieties.

We will intensify research on core agricultural technologies, provide stronger scientific and technological support for rural revitalization, encourage research and manufacturing of high-end, smart agricultural machinery as well as equipment for use in mountainous areas, and vigorously promote agricultural mechanization.

We will improve systems for animal epidemic prevention, as well as for crop disease and pest control. We will continue to modernize medium-sized and large irrigation areas and support their building of auxiliary facilities, while also reinforcing dilapidated reservoirs.

3) We will accelerate the development of rural industries.

We will encourage the creation of a complete agricultural industry chain based on local resources and strengths, and ensure that the main parts of the chain are located in counties. We will build more demonstration parks for the deeper integration of primary, secondary, and tertiary industries in rural areas, as well as more science and technology demonstration zones, modern agriculture industrial parks,

towns that are strong in agribusiness, and clusters of leading agro-industries with unique features. We will improve the mechanism for integrating farmers' interests with those of the agricultural industry chain, so that farmers can benefit more as the agricultural industry chain develops and produces more value.

We will improve the rural property rights system along with the mechanism for market-based allocation of factors of production, and promote the development of various forms of appropriately-scaled agribusinesses. We will support the growth and innovative development of leading enterprises in rural industrialization.

We will increase support for the construction of integrated distribution facilities for the sorting, processing, packaging, and precooling of farm produce. We will accelerate the development of a rural logistics system covering counties, towns, and villages, build storage and cold-chain logistics facilities for agricultural products, and push forward the development of public-welfare markets and backbone distribution networks for farm produce. We will develop rural tourism and other forms of business, develop e-commerce farm produce brands, and refine support policies for consumer services in rural areas.

4) We will pursue rural development initiatives.

We will encourage modern rural housing of better design and better quality. We will step up efforts to recycle resources from livestock and poultry waste, and proceed with the comprehensive utilization of crop straw and with the recycling of agricultural plastic sheeting and pesticide packaging.

We will carry forward the Toilet Revolution in light of local

conditions, speed up the treatment of household waste water in rural areas, improve the collection, transportation, and disposal of household refuse, promote refuse sorting, reduction, and recycling, and launch initiatives to make villages more beautiful and livable.

We will ensure the coordinated planning and development of county towns, townships and villages. We will improve rural roads, water, electricity and gas supplies, and communications, radio, television, and post services, as well as other infrastructure. We will ensure the supply of safe drinking water to rural residents, build more small and medium-sized reservoirs to ensure stable water supply, strengthen protection of water resources, and carry out comprehensive improvement of rural river systems. We will carry out projects to ensure smooth road transportation and clean energy supplies in rural areas and to build a digital countryside, and we will comprehensively strengthen power supply in rural areas.

We will improve basic public services in rural areas, and develop mechanisms for the balanced distribution of public resources between urban and rural areas. We will boost integrated urban-rural development within counties, and work to realize complementary functions for counties, townships, and villages.

Box 9: Major Measures to Modernize Agriculture and Rural Areas

<p>Modernization of Agriculture</p>	<ul style="list-style-type: none"> • Strengthen research into and the collection of germplasm resources, build germplasm banks, and launch agricultural bio-breeding projects to tackle the bottleneck problems regarding the source of seeds • Implement a new program for the raising of better quality livestock and poultry varieties along with the initiative to upgrade the modern seed industry
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	<ul style="list-style-type: none"> • Ensure that China's arable land area does not fall below the redline of 120 million hectares, prohibit the use of farmland for non-agriculture purposes, and prevent farmland from being used for purposes other than growing food crops • Establish an order of priority for the use of farmland • Strengthen and improve measures for offsetting cultivated land used for construction purposes • Develop a standardized modern agricultural industry chain and a modern rural industrial system
<p style="text-align: center;">Rural Development</p>	<ul style="list-style-type: none"> • Accelerate village planning, complete the drafting of county-level territorial space plans by the end of 2021, and define the layout of villages of different types • Continue to prioritize public infrastructure in rural areas • Carry out projects for ensuring rural residents' access to safe drinking water • Ensure that rural roads are well built, managed, maintained, and operated, develop models of urban-rural integrated transportation, and carry out projects to upgrade village facilities for comprehensive service provision • Conduct rural housing trials, promote the use of green building materials, steel understructure housing, and prefabricated modules, and install modern facilities such as sanitary toilet facilities • Launch a five-year campaign to improve rural living environments • Strengthen coordination regarding the provision of basic public services at the county-, township- and village-levels, and gradually bring such services under unified standards and institutions
<p style="text-align: center;">Rural Reform</p>	<ul style="list-style-type: none"> • Conduct trials regarding the policy of extending rural land contracts for another 30 years when the second round of contracts expire • Explore market-based transfers for rural collective land designated for business-related use

	<ul style="list-style-type: none"> • Give priority to rural business and rural construction in terms of land use • Advance the trial reform of the system of rural residential land in a steady and prudent way, and conduct procedure-based registration and certification of integrated housing ownership and land-use rights for rural housing land • Ensure that the reform of the rural collective property rights system is essentially completed this year • Further the comprehensive reform of the pricing of water used in agriculture
<p style="text-align: center;">Rural Governance</p>	<ul style="list-style-type: none"> • Accelerate the creation of a rural governance system under the leadership of Party organizations, introduce new methods, and improve rural management • Advance the Peaceful Countryside initiative and put in place a robust mechanism for rooting out organized crime and local mafia • Ensure further cultural and ethical advancement in rural areas in the new era, and both preserve and innovatively develop excellent traditional local culture • Continue with efforts to transform outdated social practices

7. Promoting coordinated regional development and optimizing China's use of territorial space and relevant supporting systems

We will promote the new urbanization strategy, pursue major regional strategies along with the strategy for coordinated regional development and the functional zoning strategy, improve systems for coordinated development of regions, and work hard to foster new drivers of growth for the country's high-quality development.

1) We will promote the high-quality development of new urbanization.

We will formulate the National New Urbanization Plan (2021-

2035). We will deepen reform of the household registration system; refine policies for linking the transfer payments received by local governments and increases in the amount of land designated for urban development to the number of people from rural areas now holding urban residency in their jurisdiction; lawfully safeguard the rights and interests that these people have in rural areas; and improve the basic public services they receive in cities, including government-subsidized housing, vocational skill training, and compulsory education of their children.

We will establish sound mechanisms for the planning and integrated development of city clusters. We will speed up the construction of rail transit networks in major metropolitan areas. In promoting the development of city clusters and metropolitan areas, we will fully leverage the driving role of major cities. We will strengthen risk prevention and control in the management of large and mega cities, and enhance the functions of medium and large cities. We will encourage county towns to shore up weaknesses and to strengthen their ability to offer comprehensive services. We will also promote the regulated and healthy development of towns with distinctive features. We will launch urban renewal projects in light of local conditions and promote the renovation of old urban residential communities, dilapidated factory buildings, old streets, and villages in cities, beginning the renovation of 53,000 old urban residential communities.

We will launch pilot and demonstration initiatives to promote urban modernization, and push forward the structural optimization of cities as well as improvements in functions and overall quality. We will step

up efforts to develop cities that are green and pleasant to live in, that are both smart and resilient, and that have a vibrant cultural environment. We will press ahead with projects for ecological restoration in cities and for improvements in urban functions, strengthen protection of historical and cultural heritage sites, shape urban landscapes, and improve community management and services. We will support the development of “sponge cities” in areas where conditions allow. We will work to ensure sounder, smarter, and more refined urban governance. We will improve the institutions and mechanisms for promoting integrated urban-rural development, and support pioneering reforms of pilot zones for integrated urban-rural development.

2) *We will proceed with the implementation of major regional strategies.*

We will coordinate the implementation of major regional strategies under the guidance of the scheme for implementing the 14th Five-Year Plan.

We will continue with the coordinated development of the Beijing-Tianjin-Hebei region. We will improve policies for relieving Beijing of functions nonessential to its role as the capital, develop Xiongan New Area to a high standard, ensure the high-quality development of the administrative center of Beijing Municipality, carry out the plan for the high-quality development of the Binhai New Area in Tianjin, and implement more key projects, reforms, and policies for coordinated development.

We will advance the high-quality development of the Yangtze

Economic Belt. We will strengthen comprehensive, systemic, and source-targeted environmental governance, and implement the “4+1” project for curbing pollution from the chemicals industry, ships, agricultural non-point sources, and tailing sites and for treating urban sewage and waste. With regard to our conservation and biodiversity protection endeavors on the Yangtze River, we will launch more protection projects and build on the results achieved in implementing fishing bans and in helping people employed in the fishing business find other employment. We will develop demonstration centers for realizing the value of eco-products, and step up efforts to improve the integrated transportation system in the Yangtze Economic Belt.

We will move forward with the development of the Guangdong-Hong Kong-Macao Greater Bay Area. In working to develop this region into an international science and technology innovation center, we will improve its spatial layout, with a focus on the Guangzhou-Shenzhen-Hong Kong and the Guangzhou-Zhuhai-Macao corridors and on Hetao and Hengqin, and facilitate the effective, free flow of factors of production. We will continue the comprehensive pilot reform of making Shenzhen a pioneering demonstration zone for socialism with Chinese characteristics, and advance the development of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, the Hengqin Guangdong-Macao In-Depth Cooperation Zone, and the Hetao Shenzhen-Hong Kong Cooperation Zone for Science and Technology Innovation.

We will promote the integrated development of the Yangtze River Delta region. We will formulate guidelines for making the Pudong New

Area a leading area in socialist modernization through high-standard reform and opening up, and support Pudong in piloting comprehensive reforms. We will encourage the construction of new types of infrastructure in this region, and review and promote this region's institutional innovation experiences in promoting integrated and eco-friendly development. We will adopt a holistic approach to the planning, construction, and development of the China (Shanghai) Pilot Free Trade Zone Lin'gang New Area.

We will promote the ecological protection and high-quality development of the Yellow River Basin, and speed up the formulation of a "1+N+X" framework of plans and policies for this purpose.

Box 10: Measures to Implement Major Regional Strategies

<p>The Beijing-Tianjin-Hebei Region</p>	<ul style="list-style-type: none"> • Establish sound incentive and constraint policies and implement a number of major projects to relieve Beijing of functions nonessential to its role as the capital • Launch major projects and develop infrastructure and public services in developing Xiongan New Area to a high standard • Step up efforts to develop Tianjin into an international shipping center in northern China • Improve the integrated transportation network for regional integration of Beijing, Tianjin, and Hebei, strengthen regional cooperation on ecological protection and environmental governance, promote in-depth integration of industrial chains and innovation chains, and promote the joint development and sharing of public services
<p>The Yangtze Economic Belt</p>	<ul style="list-style-type: none"> • Address prominent environmental problems at the source and systematically protect and restore ecosystems • Implement the "4+1" project for curbing pollution from the chemicals industry, ships, agricultural non-point sources, and tailing sites and for treating urban sewage and waste

	<ul style="list-style-type: none"> • Move forward with the construction of high-speed railway lines along the Yangtze River, push forward the project to improve the Yangtze shipping channel, and develop combined river-ocean shipping and multimodal transportation • Move ahead with the coordinated opening up of coastal areas, areas along the river, and inland areas • Encourage cities along the Yangtze River to pursue green development, to protect their historical and cultural heritage, and to develop tourism • Publicize and enforce the Yangtze River Conservation Law
<p style="text-align: center;">The Guangdong- Hong Kong- Macao Greater Bay Area</p>	<ul style="list-style-type: none"> • Promote innovation and industrial upgrading to develop this region into an international science and technology innovation center and a comprehensive national science center • Promote compatibility in rules between major platforms, including Qianhai, Nansha, Hetao, and Hengqin • Speed up the construction of intercity railways and promote infrastructure connectivity in this region • Ensure equal access to education, medical services, social security, and transportation as well as to convenient entry and exit services, in an effort to boost the sense of fulfillment, happiness, and security felt by residents of this region
<p style="text-align: center;">The Yangtze River Delta</p>	<ul style="list-style-type: none"> • Make this region a demonstration zone for promoting integrated eco-friendly development and for experimenting institutional innovations, and press ahead with development of the Lin'gang New Area, the Hongqiao international open hub, the industrial innovation belt along Shanghai and Nanjing, and the zone for industrial relocation and clustering in northern Anhui • Encourage cities in the delta to pursue high-quality development • Launch major strategic projects for integrated development • Boost investment in infrastructure connectivity, the integration of science and technology innovation with industry, the comprehensive improvement of the water environment in

	<p>Taihu Lake, the joint protection and governance of environment, and shared access to public services</p> <ul style="list-style-type: none"> • Push forward the planning and construction of a multi-tiered rail transit network
The Yellow River Basin	<ul style="list-style-type: none"> • Move forward with the coordinated planning of urban development, land supply, population, and industrial production in light of water resources • Adopt a holistic approach to environmental protection and governance covering both the upper and the lower reaches, both the main channels and the tributaries, and both banks of the river • Improve water-sediment regulation • Carry out major environmental protection projects and projects for upgrading waterways and flood plains, with focus on the water source conservation areas on the upper reaches, the soil erosion areas on the Loess Plateau on the middle reaches, and the delta area on the lower reaches • Comprehensively address groundwater over-abstraction in key areas • Step up efforts to deal with heavily polluted tributary basins such as the Fen River basin • Protect the cultural heritage of the Yellow River

3) We will steadily implement the strategy for coordinated regional development.

We will promote the establishment of effective institutions for coordinated regional development.

With regard to the western region, we will formulate an implementation plan for its large-scale development during the 14th Five-Year Plan period, as well as plans for the development of key areas, continue the current preferential corporate income tax policy,

and put into effect the revised *Catalog of Industries Encouraged for Development in the Western Region*. We will promote the development of the Chengdu–Chongqing economic zone, turning this region into a major growth pole and a new driver for China’s high-quality development. We will make further progress in building city clusters in the Guanzhong Plains, promote cooperation and interaction between northwest and southwest China, and strive to create a new pattern of large-scale development in the western region.

We will formulate an implementation plan for the revitalization of the northeast during the 14th Five-Year Plan period, with priority given to the adjustment and optimization of the industrial structure. We will support northeast China in intensifying opening up and cooperation, and endeavor to make new progress in the revitalization of the region.

We will formulate *Guidelines on Promoting the High-Quality Development of the Central Region in the New Era*, continue to support economic and social development in Hubei Province, and promote the faster rise of the central region.

We will promote the replacement of old drivers of growth with new ones in Shandong Province, support the high-quality development of Fujian Province and the construction of the Pingtan Comprehensive Experimental Area, step up cooperation for faster development in areas surrounding the Bohai Sea, intensify efforts to develop the Huai River Eco-Economic Belt, and encourage the eastern region to accelerate modernization.

We will support faster development in old revolutionary base areas,

implement the Guidelines of the State Council on Revitalizing Old Revolutionary Base Areas in the New Era, promote economic and social development in areas with large ethnic minority populations, and boost development in border areas. We will speed up the economic transformation and upgrading of resource-depleted areas. We will support the transformation of old industrial bases and encourage them to accommodate industries relocated from other parts of China.

We will boost the innovative development of national-level new areas, economic development zones, and new- and high-tech development zones. We will refine policies for the high-quality development of the maritime economy, and develop maritime strategic emerging industries.

Box 11: Measures to Implement the Coordinated Regional Development Strategy

<p>The Western Region</p>	<ul style="list-style-type: none"> • Extend the current preferential corporate income tax policy and expand its coverage • Launch a number of major projects, strengthen transportation infrastructure, and shore up weaknesses in education, medical services, and other areas related to people’s wellbeing • Step up efforts to develop Yunnan Province into an economic center that helps to spur development and cooperation with countries in south and southeast Asia • Accelerate development of the Pearl River-Xi River economic belt, the Beibu Bay economic zone, and the Bijie experimental zone • Promote the protection and development of areas west of the 400-mm isohyet
<p>The Northeast</p>	<ul style="list-style-type: none"> • Deepen SOE reform, improve the business environment, and further promote the transformation and upgrading of the industrial structure • Refine policies for the protection and utilization of chernozem

	<p>soils</p> <ul style="list-style-type: none"> • Promote the development of the coastal economic belt in Liaoning Province and of the Changchun-Jilin-Tumenjiang area as a leading zone for development and opening up • Accelerate implementation of the major projects in the three-year rolling investment plan for the region's revitalization (2020-2022)
The Central Region	<ul style="list-style-type: none"> • Promote cross-provincial cooperation in the boundary areas of different provinces • Focus on developing advanced manufacturing, integrating science and technology innovation with industry, coordinating urban-rural and regional development, protecting the environment, opening up inland areas, and improving public services • Support Hubei's efforts to accelerate economic and social recovery
The Eastern Region	<ul style="list-style-type: none"> • Encourage the region to increase its capacity for innovation, improve factor productivity, strengthen international competitiveness, and lead the country's economic modernization • Promote further cooperation in the Bohai Sea area • Commence work on replacing old drivers of growth with new ones in Ji'nan city

8. Accelerating green and low-carbon development and strengthening ecological conservation

We will establish sound coordination mechanisms for ecological conservation, define objectives and tasks, and make sustained, targeted efforts. This will enable us to improve the quality of the environment and promote a complete green transformation of economic and social development.

1) We will make solid progress toward reaching peak carbon

emissions and achieving carbon neutrality.

We will strengthen top-level design along with overall coordination and planning, and formulate guidelines for reaching peak carbon emissions and achieving carbon neutrality.

In continuing with energy conservation and emissions reduction, we will improve the system for controlling both the total amount and the intensity of energy consumption, implement the overall work plan for energy conservation and emissions reduction for the 14th Five-Year Plan period, strengthen energy conservation in key areas, and accelerate the establishment of a national market for trading energy use rights. We will take resolute action to curb the shortsighted development of energy-intensive projects with high emissions.

We will vigorously implement the national strategy for responding to climate change, and introduce action plans for achieving peak carbon emissions by 2030 as well as measures for securing our medium- and long-term objectives in responding to climate change. We will establish a national registration and settlement system along with a national trading system for carbon emissions rights, and improve the trading mechanism for voluntary greenhouse gas emissions reduction. We will expand pilot and demonstration programs for responding to climate change and launch local pilot programs for investing in and financing such endeavors. We will promote multilateral initiatives, international collaboration, and South-South cooperation on climate change.

We will formulate a medium- and long-term energy development plan, and introduce guidelines on the establishment of coordination systems and mechanisms for the growth, absorption, and storage of

clean energy. We will step up construction of electricity transmission routes from energy production centers in the western region to other regions, develop hydropower in a systematic and well-conceived manner, actively and efficiently develop wind power, photovoltaic power, waste-to-power, and hydrogen power, and develop nuclear power in an active and orderly manner while ensuring safety, thus increasing non-fossil fuels' share of total energy consumption. We will increase support for the development of pumped-storage and energy storage, and work to increase the adaptation capacity of power systems.

2) We will intensify the battle against pollution.

In order to consolidate our successes in the initiatives to keep our skies blue, our waters clear, and our land pollution-free, we will step up the coordinated control of varied pollutants, such as fine particulate matter (PM_{2.5}) and ozone (O₃), ensure that clean energy sources based heating accounts for 70% of total heating in northern China, speed up the removal of old and high-emission diesel trucks from roads, intensify regional coordination in air pollution control, protect and improve our beautiful rivers, lakes, and bays with the focus on the Yangtze River, the Yellow River, and the Guangdong-Hong Kong-Macao Greater Bay Area, and continue to clean up black, malodorous water bodies in urban and rural areas. We will intensify the prevention and control of soil pollution, ensure the safe use of agricultural land and strengthen risk management of land used for construction, tighten control of agricultural pollution from non-point sources, and encourage reduction in the use of chemical fertilizers and pesticides.

In line with the requirements of adopting targeted, scientific, and law-based pollution control measures, we will formulate and put into effect a three-year plan for the establishment of a modern environmental governance system, and push forward the building of a system of institutions for the oversight of fixed pollution sources based on emissions permits. We will step up the prevention and control of plastic pollution, and coordinate efforts to encourage a shift toward increased use of green packaging in the delivery industry.

We will accelerate the development of environmental infrastructure in urban areas and continue to improve our capacity to dispose of hazardous waste. We will work out a “1+N” policy framework for waste water recycling and advance key projects in this area. We will address inadequacies in sewage treatment facilities in urban areas and accelerate waste water treatment and recycling in the Yangtze Economic Belt and the Yellow River Basin. We will boost efforts to prevent and control noise pollution, and continue to bring about a shift in freight transportation from highways to railways.

3) *We will promote the establishment of eco-friendly modes of production and ways of life.*

We will step up the development of national ecological conservation pilot zones. We will work to develop a circular economy and speed up the establishment of a recycling system for waste and used materials. We will expand the catalog of corporate income tax credits for environmental protection and the conservation of water and energy, and promote the development and application of new types of energy-efficient and eco-friendly technologies, equipment and products as well

as the development of energy-saving and environmental protection industries. We will vigorously develop green finance. We will promote green transformation in key industries and important areas, carry out evaluation and certification of clean production, and enhance clean production in key industries and industrial parks. We will also promote the construction of eco-friendly buildings.

We will encourage the economical, intensive, and efficient use of resources, and the comprehensive utilization of massive solid waste. We will continue to identify and address environmental risks deriving from hazardous waste, while stepping up environmental risk assessment and control. We will promote refuse sorting in order to waste less and recycle more, and work steadily to develop waste-free cities. We will develop water-conserving cities, and advance demonstration schemes for scaling up the desalinization and utilization of seawater. We will work to develop eco-friendly communities and foster a culture of practicing frugality and opposing waste.

4) We will improve the quality of ecosystems.

We will formulate measures for the enforcement of ecological conservation redlines, introduce regulations regarding compensation for ecological conservation efforts, and advance the reform of the system of compensation for ecological and environmental damage.

We will improve the national system of ecological security shields, and continue with our holistic approach to the conservation of mountain, river, lake, forest, farmland, and grassland ecosystems. We will launch major projects for the protection and restoration of key ecosystems as well as large-scale greening projects, and promote the

comprehensive control of desertification, rock desertification, and soil erosion. We will step up the protection of major wetlands in regions of strategic importance as well as the ecological protection and restoration of coastlines.

We will improve the distribution of national parks, speed up the establishment of a national park-based nature reserve system, and strengthen environmental regulation of nature reserves. We will boost efforts to protect biodiversity and hold the 15th Conference of the Parties of the Convention on Biological Diversity.

9. Further improving public wellbeing and ensuring that our people lead happier, more satisfying, and more secure lives

We will make realizing, safeguarding, and advancing the fundamental interests of our people the ultimate goal of our development efforts, promote well-rounded human development, and take solid steps toward common prosperity.

1) We will continue to increase personal income.

By raising the quality of employment, improving human capital, facilitating social mobility, and invigorating factors of production, we will ensure that all social groups are able to increase their income and create wealth through their own efforts and wisdom. We will coordinate reform in key areas of the income distribution system, further refine the systems of wage guidelines and of salary surveys for enterprises, and increase the intensity and accuracy of redistribution-based adjustment.

We will place greater emphasis on promoting common prosperity for all, meticulously plan top-level design with this aim in mind,

advance the development of demonstration zones for realizing common prosperity, and set about formulating plans for expanding the middle-income group during the 14th Five-Year Plan period.

2) We will accelerate the development of education.

We will boost public-benefit preschool education resources through multiple measures and improve supporting mechanisms to this end. We will promote the high-quality, well-balanced development and urban-rural integration of compulsory education, and increase the availability of senior secondary education. We will adopt a category-based approach in encouraging the development of first-rate universities and disciplines and of applied undergraduate education, invigorate undergraduate education across the board, and advance the development of new disciplines in engineering, agriculture, medicine, and the liberal arts.

We will bolster the ranks of teachers, and step up teacher training in the central and western regions. We will refine the long-term mechanism for ensuring salary payments for teachers, and improve pay packages for teachers in rural schools. We will ensure that children who live in cities with their migrant worker parents have equal access to compulsory education, and further expand urban compulsory education capacity. We will further the reform for closer integration of industry and education, selecting for the first time a group of enterprises and pilot cities to lead this reform at the national level. We will encourage vocational colleges to improve their teaching standards so that they produce outstanding graduates. We will refine the category-based enrollment system of vocational colleges and improve the system for

greater connectivity between regular institutions of higher learning and vocational colleges. We will also launch diverse on-the-job training and continuing education initiatives.

3) We will increase social security efforts.

We will increase the basic pension for retirees and the subsidies and living allowances for entitled groups. We will refine the national unified platform for social insurance public services, bring basic old-age insurance funds under national unified management, develop a multi-tiered, multi-pillar old-age insurance system, and support the development of private pensions as the third pillar. We will promote the provincial-level unified management of unemployment insurance funds and of work-related injury insurance funds. We will fully ensure unified management of basic medical insurance funds at the prefecture level, while encouraging efforts to promote provincial-level unified management where conditions allow.

Government subsidies for basic medical insurance for rural and non-working urban residents will increase by an average of 30 yuan per person, and subsidies for basic public health services will increase by 5 yuan per person. We will improve the system of medical insurance and assistance for major diseases, ensure that medical expenses are settled where they are incurred, steadily advance trials of a long-term care insurance system, and actively develop commercial medical insurance. We will develop a sound support mechanism for covering outpatient medical bills, and take gradual steps toward funding the reimbursement of outpatient bills through unified accounts. We will develop a sound list-based system for medical insurance benefits,

improve the dynamic adjustment mechanism for the catalog of medicines covered by medical insurance, and make the centralized procurement of medicines a regular, institutional practice.

We will improve the social security system for people in flexible employment, and promote trials of occupational injury insurance for people in new forms of employment. We will refine our work systems and support mechanisms for ex-service members. We will improve the social assistance systems of different types at different levels, establish sound mechanisms for proactively identifying problems and offering assistance, and intensify efforts to help disadvantaged urban residents with the problems they face. We will safeguard the legitimate rights and interests of women and children, develop sound networks at city, county, and township levels for the assistance and protection of minors, and improve social welfare systems for orphans and people with disabilities.

4) We will strive to meet people's housing needs.

Upholding the principle that housing is for living in, not for speculation, we will keep the prices of both land and housing as well as market expectations stable. We will address prominent housing issues in large cities. By increasing land supply, earmarking special funds, and carrying out concentrated development schemes, we will increase the supply of government-subsidized rental housing and shared ownership housing. We will make every effort to address housing difficulties, especially those faced by new urban residents and young people.

We will work faster to refine policies on long-term rentals, ensure that over time renters have the same rights to relevant public services

as owners, develop the long-term rental market in a well-regulated manner, and cut taxes and fees on rental housing. We will increase financial support for the rental housing market, and support the development of large-scale professional housing rental companies.

5) We will strengthen the system of social public services.

We will formulate a development plan for public services during the 14th Five-Year Plan period, improve mechanisms for ensuring equal access to public services, and advance the implementation of national standards for basic public services.

We will continue to advance the Healthy China initiative. We will work to develop a high-quality, efficient medical and health service system, modernize the disease prevention and control system, strengthen and regulate the development of mental health services, and develop comprehensive, lifecycle health services. We will promote the development of national medical centers and step up trials of regional medical centers, in an accelerated effort to ensure that high-quality medical resources become more broadly available and are distributed in a more balanced manner. We will launch demonstration projects for the provision of medical services, while ensuring that these services become increasingly standardized, procedure-based, and sophisticated. We will develop robust medical and health service networks in both rural areas and urban communities to ensure better provision of these services. We will support both traditional Chinese medicine and Western medicine, and a major project will be launched to promote the development of traditional Chinese medicine.

We will implement the national strategy on addressing population

aging, make our childbirth policy more inclusive, and strive to reduce the costs of child-bearing, rearing, and education. We will develop public-benefit elderly care services and mutual-aid elderly care, build a system for the provision of elderly care at home, through communities, and by institutions that meets different medical and health care needs, improve the overall regulation system of elderly care services, speed up the development of the elderly care industry, and coordinate efforts to develop such services in rural areas. We will develop a public-benefit childcare service system. We will expand the “pacesetter” initiative in the domestic service sector, foster contract worker-based domestic service companies, and ensure that communities have better access to domestic services.

We will promote the development of the Great Wall, Grand Canal, Long March, and Yellow River national cultural parks, in a bid to preserve the major symbols of Chinese culture. We will implement projects for preserving, passing on, and utilizing our culture, redouble efforts to protect and utilize major cultural heritage and major natural heritage sites such as national parks, and advance the construction of major cultural facilities such as the northern section of the Palace Museum and the National Art Museum of China. We will ensure that philosophy and the social sciences flourish.

We will promote the integrated development of culture and tourism, and develop world-class tourist attractions and resorts as well as national-level tourist and leisure cities and areas. We will formulate and put into effect a national tourism and recreation development program (2021-2035), and promote the implementation of the system of paid

vacations. We will step up preparations for the 2022 Beijing Winter Olympics and Paralympics. We will formulate guidelines for the development of a higher-level service system for promoting general fitness and exercise, and create public sports venues that are close to nature and convenient for use.

We will carry out projects for meeting the basic needs of social service facilities, support the construction of facilities for child welfare as well as rehabilitation and care facilities for people with disabilities, and further shore up weaknesses in infrastructure for demobilized military personnel in order to better meet people's basic needs. We will strengthen social governance and develop new ways to conduct it, and improve the governance and service systems for urban and rural communities. The public legal service system will be improved. We will improve and enforce the accountability system for workplace safety, and strengthen oversight and law enforcement in this regard.

We will enhance biosafety and biosecurity and intensify efforts to develop national biological data centers and high-level biosecurity laboratories. We will better ensure food and drug safety, strengthen oversight and supervision over the safety of food items sold online, and launch the construction of key laboratories for assessing food safety risks and establishing standards. We will strengthen our emergency rescue capacity and disaster prevention, mitigation, response, and relief capabilities. We will make solid efforts to protect against floods, droughts, forest and grassland fires, geological disasters, and earthquakes, and provide quality meteorological services.

Box 12: Major Measures to Improve Public Services

<p>Public Education</p>	<ul style="list-style-type: none"> • Consolidate and build on achievements made in alleviating poverty through education, address inadequacies in preschool educational resources, further strengthen weak links in compulsory education, and provide broader access to public regular senior secondary education • Promote integration between vocational education and industry and cooperation between schools and enterprises, and increase support for the construction of training centers for education–industry integration • Promote the development of higher education in the central and western regions • Develop a national platform for education–industry collaboration on innovations and set up centers for the joint training of graduate students • Step up efforts to develop disciplines and majors related to key fields and to train urgently needed personnel • Bolster the ranks of teachers
<p>Medical and Health Care</p>	<ul style="list-style-type: none"> • Formulate a plan for establishing national medical centers during the 14th Five-Year Plan period, and help a number of well-established hospitals and departments to become world-class institutions • Adopt policies and measures for accelerating the innovative development of medical education and for boosting the distinctive strengths of traditional Chinese medicine • Enhance the public health system and refine the system for disease prevention and control • Accelerate the development of the health industry
<p>Services for People with Disabilities</p>	<ul style="list-style-type: none"> • Increase the coverage of rehabilitation and nursing facilities as well as comprehensive service facilities for people with disabilities, enhance the availability of rehabilitation assistive devices in service organizations for people with disabilities, and improve employment services for them
<p>Elderly Care</p>	<ul style="list-style-type: none"> • Refine elderly care service systems, shore up weak links in the provision of basic elderly care, continue to launch initiatives

	<p>for public-benefit elderly care, and promote the coordinated development of elderly care programs and the elderly care industry</p> <ul style="list-style-type: none"> • Carry out comprehensive innovation trials and capacity assessment as part of an active response to population aging, make a continuous effort to build a smart society that pays adequate attention to the needs of the elderly, and take substantive measures to address the problems faced by the elderly in utilizing smart technologies
Infant and Childcare Services	<ul style="list-style-type: none"> • Launch a nationwide initiative to select demonstration cities for the provision of infant and childcare services • Carry out initiatives to support economic entities of all types in providing public-benefit childcare services, develop a number of demonstration organizations for the provision of such services, develop community childcare service networks that are managed and operated in a centralized manner, and thus promote the healthy development of childcare services • Press ahead with the building of children-friendly cities
Culture & Tourism	<ul style="list-style-type: none"> • Promote the integrated, high-quality development of culture and tourism, and launch more landmark projects for the establishment of national cultural parks • Support the protection of key national cultural relics and archaeological excavations • Provide better broadcasting services to key areas such as the border areas and the three regions and the three prefectures
Public Fitness	<ul style="list-style-type: none"> • Address inadequacies with regard to public sports facilities, build more sports parks, draw up a plan for outdoor sports development, and establish a system of national trails • Encourage the participation of at least 300 million people in winter sports • Promote government-subsidized fitness facilities such as soccer fields to open to the public and reinforce regulation over their operation
Residential	<ul style="list-style-type: none"> • Continue with the initiatives for shoring up weak areas in the

Communities	<p>development of urban residential communities</p> <ul style="list-style-type: none"> • Address deficiencies in basic public service facilities, commercial amenities, supporting infrastructure for municipal utilities, and public activity spaces
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10. Coordinating development and security and guarding against and defusing risks in key sectors

We will continue with our holistic approach to national security. We will strengthen early warning, prevention and control mechanisms, and capacity building for economic security risks, while working to maintain security in key areas and prevent systemic risks.

1) We will continue to ensure the supply of grain and other major agricultural products.

We will accelerate legislation on food security. In line with the strategy of securing the supply of major agricultural products, we will fully implement the system of provincial governors assuming responsibility for food security and city mayors for the supply of non-staple food, so as to secure the supply of grain, cotton, cooking oil, sugar, and meat.

We will implement the strictest possible system for the protection of farmland, support crop production on idle land, keep total crop acreage stable, and increase yield per unit area. We will strengthen the system for coordinated grain production, purchase, storage, processing, and sales. We will improve the compensation system for major grain-producing areas, boost the development of grain-producing areas and protected production areas for major agricultural products, and establish agricultural belts for national food security. We will push ahead

with the quality grain project and promote high-quality development of the grain industry.

We will appropriately raise the minimum purchase prices for wheat and rice, while at the same time refining the policies on subsidies for corn and soybean producers and on rewards for major grain-producing counties, thereby keeping farmers motivated. We will continue the structural adjustment of agriculture, increasing the area of land used for corn cultivation, keeping the production of soybeans stable, supporting the production of canola, peanut, and other oil crops with a variety of measures, and ensuring that the amount of land devoted to growing cotton and sugar crops remains stable. The use of green, high-quality, and efficient techniques and modes will be promoted.

We will continue to boost the recovery of hog production, while also increasing beef and mutton production and continuing to implement the initiative for the revitalization of the dairy industry. We will improve monitoring and early warning mechanisms for grain and hog production, make full use of stockpiles in adjusting supply, and enhance storage capacity and emergency response capabilities. We will modernize grain distribution.

We will implement an import diversification strategy for major agricultural products. We will accelerate the development of multinational agricultural businesses and develop overseas supply chains for grain and other major agricultural products. We will carry out food-saving initiatives and make tireless efforts to reduce food waste in the catering industry.

2) We will maintain energy and resource security.

We will continue to improve the energy production, supply, storage, and marketing systems, and strengthen coordination with regard to the layout of networks, planning and construction, operation management, and allocation and deployment.

We will improve the distribution and structure of coal production and systematically increase our ability to ensure the supply of coal. We will improve power system operations, promote the integrated development of wind, photovoltaic, hydro, thermal, and nuclear power, as well as of energy storage, and make full use of the peak-shaving, emergency response, supporting, and basic role of coal-fired power. We will boost oil and gas exploration and development, improve the connectivity of gas pipeline networks, and enhance the foundations for the supply of oil and gas.

We will promote the development of energy transportation routes, strengthen our energy reserve capacity, and improve transportation services. We will refine energy contingency plans, improve our risk and emergency response capabilities, and strengthen energy security and resilience.

We will continue mineral exploration initiatives and build up the reserve of mineral zones. We will press ahead with competitive trading of mining rights and encourage the trading of mines that are free of any impediments to production, thus ensuring that all market entities stay motivated. We will enhance the protection of mineral resources and the management of their exploration, and build up our reserves of strategic mineral resources. We will take an active part in global mineral resource governance and continue to engage in international

cooperation in this area.

3) *We will maintain financial security as well as security in other areas.*

We will strictly enforce regulations on the prevention and control of local government debt risks, firmly check increases in hidden local government debt, and take proactive and prudent steps to address existing hidden debts.

We will improve and modernize the financial regulatory system, enhance our financial regulation capability, and exercise prudent regulation of financial innovation. We will properly address risks in key sectors and improve systems for prevention, early warning, handling, and accountability with regard to financial risks. We will refine the deposit insurance system and ensure early intervention, warning, and disposal.

We will comprehensively strengthen supporting systems and capacity building with regard to cybersecurity.

We will fully and faithfully implement the policy of One Country, Two Systems, under which the people of Hong Kong administer Hong Kong and the people of Macao administer Macao with a high degree of autonomy in both regions. We will safeguard China's sovereignty, security, and development interests as well as social stability in the two special administrative regions. We will support Hong Kong and Macao in their efforts to integrate more effectively into China's overall development, to turn themselves into international innovation and technology centers, to create platforms for pursuing the BRI, and to achieve diversified and sustainable economic development. We will

improve policies and measures for helping Hong Kong and Macao residents to pursue their careers on the mainland.

We will adhere to the one-China principle and the 1992 Consensus and resolutely deter any separatist activity seeking "Taiwan independence." We will promote the peaceful and integrated development of cross-Strait relations, strengthen cross-Strait business cooperation, develop a cross-Strait common market, strengthen the economy of the Chinese nation, and carry out joint initiatives to promote Chinese culture.

Accomplishing the work for economic and social development in 2021 is a formidable task of great significance. We must rally more closely around the CPC Central Committee with Comrade Xi Jinping at its core, hold high the great banner of socialism with Chinese characteristics, and follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We must be keenly aware of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership; stay confident in the path, theory, system, and culture of socialism with Chinese characteristics; and resolutely uphold General Secretary Xi Jinping's core position on the Party Central Committee and in the Party as a whole, and resolutely uphold the Party Central Committee's authority and its centralized, unified leadership.

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

National Committee.

Let us stay true to the founding mission of the Party, work as one, strive to make progress, keep our shoulder to the wheel of every task, remain effective and meticulous in all our work, and seize opportunities amid crises and open up new vistas amid a shifting landscape. Let us work together to get off to a good start on our new journey to build a modern socialist country in all respects, and celebrate the centenary of the Communist Party of China with outstanding accomplishments.