

May 14, 2021

2021 Two Sessions and the 14th Five-year Plan Readout: when targets become a floor

The ongoing recovery from the COVID-19 pandemic, persistent tensions with the US, and an ever-worsening global image all marked 2020 as an uneasy year for China. However, with its average GDP growth reaching 2.3%, the country became the only major world economy to expand last year. Such accomplishment, which Beijing did not shy away from [promoting](#), set the tone for the 2021 Two Sessions which took place between March 4 and 11 in Beijing.

What made the 2021 Two Sessions stand out from previous ones? What are some important trends stemming from the 14th Five-year Plan? Keep reading to better understand how China's top-down policy design is shifting this year.

Key Takeaways

Foreseeing a narrower path of recovery ahead with difficult structural issues left to be tackled, Beijing understands it must be clear-eyed about setting targets that are both indicative and flexible.

The Party is expected to officially declare that China has *comprehensively* built a moderately prosperous society at the celebration of the 100th birthday of the Party's founding. The only reason it has not yet done so is the task to double the GDP growth by 2020 (from 2010 levels) is still in progress.

A gradual trend of decentralization and reform is likely to continue in light of the less-restrictive targets set by Beijing. Foreign companies in China should strategize their local engagements and step up on advocacy.

2021 Two Sessions: return to a new normal

"Last year was an extraordinary year in the history of the People's Republic of China. Facing the severe combined impact of a sudden coronavirus epidemic and a deep global economic recession, we the Chinese people of all ethnic groups, under the strong leadership of the Central Committee of the Communist Party of China with Comrade Xi Jinping at its core, responded with tremendous tenacity," said Premier Li Keqiang at the 2021 Two Sessions on March 5, 2021.

Compared to last year's much delayed *Lianghui* in which several norms were [broken](#), everything appeared to have returned to normalcy this year. A GDP target was nowhere to be [found](#) in 2020,

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upending a tradition that had been in place since 1964. This year, Premier Li [unveiled](#) that China will set its annual growth target above 6% during his delivery of the 2021 *Annual Government Work Report*, but many [believe](#) this goal is conservative. According to polls conducted by [Bloomberg](#), [Reuters](#), and [Nikkei Asia](#), economists indicate that the projected GDP growth for China in 2021 could be anywhere from 8.2% to 8.5%. Additionally, in the first quarter of this year, the Chinese economy [grew](#) 18.3% and retail sales increased 34.2% in March, per the National Bureau of Statistics' latest report. The soaring numbers point to a likely full recovery post-COVID, but also make the 6% target for the year seem like low-hanging fruit.

Fiscal conservatism continues to rule

"A projected target is not something set in stone. It intends to guide expectations. We will further consolidate the foundation of economic recovery, promote high quality development, and make our development truly sustainable. This target should also be aligned with what we can accomplish next year and the year after next," Premier Li [answered](#) in response to a question about the GDP target at the 2021 Two Sessions Press Conference.

Such gap between what is planned and what is realized will continue to be part of a trend in China's macro-economic policymaking—there will always be policy latitudes in economic goals hedging against uncertainties and possible headwinds.

China's strong export growth of 30.5% recorded in March 2021 may [lose its luster](#) as other countries reopen and overseas stimulus weans off later this year; the strong consumer spending rebound in Q1 pales when juxtaposed with a dramatically [widening wealth gap](#) following the outbreak and household debt that [has risen](#) to the equivalent of nearly 60% of total GDP. Foreseeing a narrowing path of recovery ahead, Beijing understands it must be clear-eyed about setting a growth target that is both indicative and flexible.

The 2021 *Report* also sends a signal that Beijing will stick to treading carefully between a sustainable recovery and long-term financial risks. The fiscal deficit this year is set to 3.2%, down from an all-time high of 3.6% last year, but still above the [long-held](#) deficit redline of 3%. The special government bond, a way of cleaning up local government debts used since 2015, is allocated at RMB 3.65 trillion this year, just slightly lower than last year's RMB 3.75 trillion but up by RMB 1.5 trillion from 2019. At the same time, Beijing plans to impose additional tax cuts of RMB 550 billion for small and micro-sized businesses and those in advanced manufacturing, which could further dry out local governments' cash pools. To keep the localities afloat, the central government plans to [decrease](#) its general expenditures by 0.2% and expand transfer payments to local governments by 7.8% (vs. 4.9% in 2020).

The combination of different fiscal policy tools indicates that Beijing is determined to exercise great prudence and caution aimed at preventing risks in the lead up to a full economic recovery. As some argue, adoption of conservative fiscal policies may also mean that fiscal hawks, led by Vice Premier Liu He, [have won](#) the internal debate over the doves who advocate for aggressive spending and investment on infrastructure, including those from China's National Development and Reform Commission.

But innovation is an exception

That said, it seems like the hawks and the doves have reached a consensus, as China embraces the opening year of the 14th Five-year Plan. Despite trimmed budgets, China [places](#) “innovation and industrial upgrade” at the forefront of the fiscal policy in 2021, dialing up central-level spending on basic research by 10.6%. It is the first time that MOF has publicized such qualitative indicator in its annual plan. Comparatively, the similar agenda on innovation [was only the seventh item](#) against the backdrop of how to keep supply chains stable in the 2020 Ministry of Finance (MOF) annual budgetary plan. In the 2019 MOF plan, “innovation-led development” [ranked](#) as the third priority, after “supply-side structural reform” and “three hard-fought battles.”

Besides developing technological capabilities, a state-driven boost on domestic demand is also highlighted in MOF’s annual plan this year. Unlike direct transfers of cash to households similar to what the US has been doing, Beijing intends to boost domestic consumption on the supply-side, which means more investments on consumer-facing industries (e.g., education and elder care) and employer-friendly tax policies. Additionally, the pledge to support domestic consumption has thus far not been associated with any quantitative targets, suggesting that Beijing will gradually address the issue over the long run. This is yet another example of Beijing’s reluctance to risk running the economy hot, reflecting an overall trend of fiscal conservatism deeply [rooted](#) in officialdom.

14th Five-year Plan: when targets become a floor

From imperative to indicative

The first First-year Plan was a product of the Soviet Union released in 1928 with the purpose of designating the state as the sole allocator of all resources. After World War II, all communist countries, including China, adopted this Soviet-like practice also known as “imperative planning.” It was not until 1978 when China decided to carry out socioeconomic reforms that the FYP started to evolve and recognize the role of market forces in the Chinese economy. Still, the objective for Beijing remained clear—the economy must transform without threatening the ruling of the Party. Between the 1980s and early 2000s, China’s FYPs continued to highlight the state’s control over macroeconomic levels and strategic sectors.

However, as the economy grew, Beijing [recognized](#) that the new FYPs should let go of some mandatory goals to address new challenges. Since the early 2000s, the nature of China’s FYPs has gradually shifted to “indicative planning,” which places greater emphasis on signaling expectations (instead of restrictive targets) from the top-down and coordinating policy between the central and local levels. Additionally, non-economic objectives began to be added to the plans. Indicative planning, as some [argue](#), provides predictability and stability in policy for transition economies like China and plays an leading role in helping China become the second largest economy today.

Given the historical purpose of the FYP, the rollout of the 14th edition cannot come at a better, yet unfortunate, timing. The Biden administration, taking a similarly tough stance on Beijing as its predecessors, [sees](#) China as the primary strategic competitor to the US in the 21st century. Beijing perceives the competitive nature of the bilateral relationship as an existential threat. A continual wave of Chinese technology firms being [added](#) to the US Entity List for national security and human rights reasons has further convinced Beijing that self-reliance is the only way out. Thus, it

was against this backdrop of rising geopolitical uncertainties that Beijing released the 14th FYP and the Vision 2035 plan.

Vision 2035, not the wildest dream

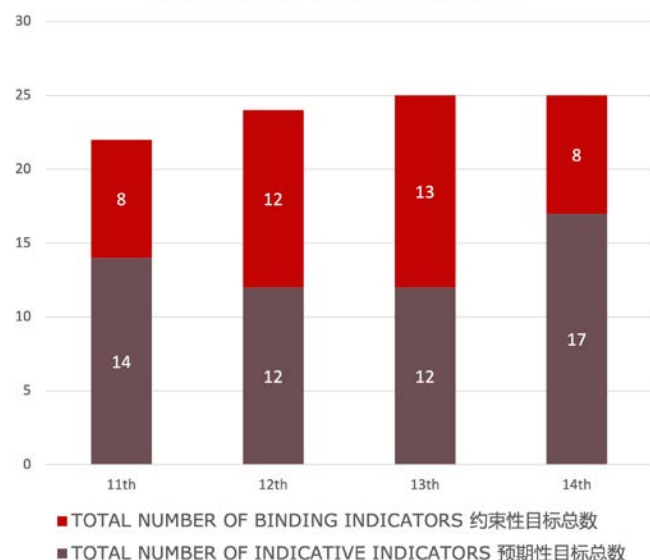
For the *first time*, the FYP does not include a target for overall GDP growth for the 2020-2025 implementation period. Instead, Beijing has pledged to keep growth within a “reasonable range.” This omission of the most significant economic indicator sends a positive signal that markets will be able to play a more important role over the next five years. On the other hand, the Vision 2035 plan does state that China will become a medium-level developed country by 2035 when measured by per capita GDP, which many interpret as an implicit target. It remains controversial whether such goal is feasible. Those who are skeptical [point](#) to the mounting debt levels and the aging population, but others are rather hopeful that the government’s handling of the debt issue, together with further opening in the services sector in addition to urbanization, will help China stay on track of an average growth of 4.7% over the next 15 years. One scholar from the state-affiliated think tank China Center for international Economic Exchanges (CCIEE) is even more optimistic, [suggesting](#) that the Chinese economy will only need to grow 4.5% each year during the 14th FYP implementation period, then 4.0% every year from 2030 to 2035. Such confidence also derives from the reality that there are no set rules internationally for what constitutes a medium-level developed country. Based on the standard proposed by CCIEE, Beijing should be able to comfortably claim this status by 2035.

Quality growth with implicit and feasible targets

Policy targets with sufficient cushion, as seen in the *Annual Government Work Report* and the FYP, whether dialing back on the ambition or making them implicit, will continue to be the overarching trend of China’s policy design. When comparing the 14th FYP against the 11th, 12th, and 13th editions, one can further observe how China’s macroeconomic policy direction has shifted and evolved:

In comparison, the 14th FYP has more indicative and fewer binding targets. As previously [introduced](#) in the *Policy+ 2020 Two Sessions Report*, the Chinese government usually sets two types of goals: one is binding (or restrictive), and the other is indicative (or anticipatory), a practice that can be dated back to the 11th FYP implementation period (2006-2010). Binding targets are commonly seen in public service and social welfare-related areas, where the state will be held accountable; indicative targets, usually focusing on economic development and innovation, are the ones that the government strives to achieve by joining forces together with the market. Although both the 13th FYP and the 14th FYP have 25 indicators, the number of indicative goals in the 14th version has grown by 42% from the 13th FYP.

TOTAL NUMBER OF BINDING VERSUS INDICATIVE INDICATORS IN THE FIVE-YEAR PLANS



This is not only in line with Beijing’s commitment to prioritizing high-quality growth but also signals a shift in Chinese policymakers’ approach towards growth targets.

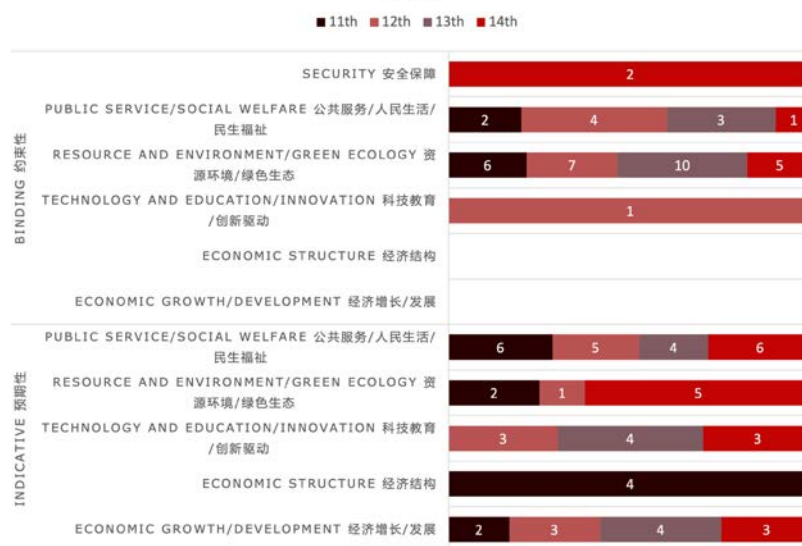
An increased proportion of indicative targets in the 14th FYP may also speak to the underlying concerns towards the uncertainties ahead held by top Chinese policymakers. After all, China did not meet all the targets set by the 13th FYP, though it came close. According to Yin Zhongqing, Deputy Director of the Financial and Economic Affairs Committee at the National People’s Congress, 20 out of 25 indicators in the 13th plan were fully met, but the remaining five—GDP growth, labor productivity growth, value-added services (% of GDP), growth in R&D spending, and reduction in energy consumption per unit of GDP—did not meet their targets. The holy task to double GDP growth by 2020 from 2010 levels is still in progress, which reportedly is also the *only* factor preventing the Party from officially declaring that China has *comprehensively* built a moderately prosperous society. However, Yin and others expect that China will not have trouble completing this task by July of this year when the Party celebrates the 100th anniversary of its founding.

Long march to Common Prosperity with vague details

President Xi declared a complete victory in eradicating absolute poverty in China on February 25 ahead of the Two Sessions this year. At the Great Hall of the People, he underscored the role of the CCP leadership, which in his view provided a “political and organizational guarantee” to lifting nearly 100 million people out of poverty. Yet, critics have pointed out that China’s definition of “extreme poverty” (roughly \$1.69 a day) is significantly lower than the World Bank defined threshold for countries at China’s level of development (around \$5.50 a day).

Six years after the poverty eradication campaign was first enacted, Beijing is ready to move on to the next stage, “rural revitalization,” followed by realizing “common prosperity” by 2035. Policies released thus far on “rural revitalization” emphasize infrastructure upgrades and investment support in rural areas. While Vision 2035 does not specify details for how “common prosperity” will be measured and achieved, NDRC said in early March 2021 that it is leading the efforts on designing the implementation framework.

NUMBER OF BINDING AND INDICATIVE INDICATORS IN THE FIVE-YEAR PLANS



When looking at the welfare-related indicators in the 14th FYP, of which six out of seven are indicative, some argue that the goals are rather unambitious: the urban unemployment rate, for example, was set below 5.5% when the official data back in March showed it had already hit the

parameter. At the same time, stark inequality between the rich and the poor in China has continued to [intensify](#) since 2015, further exacerbated by the pandemic. While Beijing pledged to expand the middle-income group in the 14th FYP to include vulnerable groups (e.g., migrant workers and recent college graduates) and improve income redistribution, the near-term emphasis will likely [remain](#) on the supply-side. One can only be hopeful for a detailed and actionable framework on “common prosperity” coming out later this year.

The New Development model and Dual Circulation

The “new development” philosophy (新发展理念) was first [coined](#) by President Xi in 2015, highlighting innovation, coordination, green ecology, opening, and sharing as five key aspects of China’s new development model. However, much has changed after the concept was brought forward. The bilateral relationship took a free fall and the COVID-19 pandemic slowed down China’s economic growth. As such, the 14th FYP gave the concept a renewed prominence, mentioning the keyword “new development” (新发展) 23 times, versus only three mentions in the 13th FYP.

To leverage opportunities and tackle challenges arising from what Xi described as “a period of the entire world undergoing the most profound and unprecedented changes in a century,” the 14th FYP elevates the Dual Circulation Strategy to a national strategic level. The strategy involves looking inward to tap the potential of its domestic market. Some efforts to boost consumption are already being made through the overarching goal of “common prosperity” and everything that falls under this goal. More importantly, the strategy is about building a robust domestic market driven by innovation and, hopefully, offsetting vulnerabilities to external shocks. The underlying reason is that China can no longer depend solely on “international circulation,” otherwise known as the export-intensive model, which a group of prominent Chinese economists [believe](#) has exposed China to external shocks and strangled its access to technology abroad.

In the next five years, Beijing will strive to grow spending on R&D by at least 7%, and 8% of the total R&D spending [will be](#) on basic research. To achieve this, as previously mentioned, Beijing is also committed to stepping up on fiscal support for basic research by at least 10.6% by the end of this year. While it is true that the Chinese government has made considerable progress with annual double-digit increases in spending on R&D over the past decade, it [did not meet](#) the research spending target set by the 13th FYP. This may have directly contributed to why the new target in the 14th FYP is set at 7%, but some [argue](#) that Beijing would have been more than capable of pursuing a more aggressive goal to outcompete the US, taking into account the size of China’s annual fiscal budget and the real R&D spending expenditures throughout the 13th FYP period.

That the Chinese government chose to exercise prudence even on innovation, the lynchpin of China’s development, is yet another sign that Beijing is shifting away from setting simplistic targets and moving towards addressing structural issues that are not quantifiable.

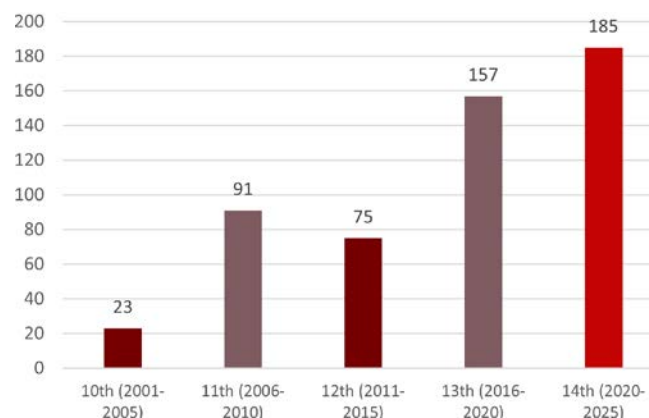
Consequently, the 14th FYP calls for technological self-reliance and more resilient supply chains. According to several experts the Policy+ group has recently spoken with, including one serving on the 14th FYP Expert Advisory Committee and one leading the International Economic Research Department of the NDRC-affiliated think tank, the dual circulation strategy does not mean China

will be closed off to foreign investment. In fact, it is the opposite. For the strategy to work, Beijing appears to [have recognized](#) the need to stay open and learn from the rest of the world with repeated pledges and assurances that China is committed to reform and opening. After all, China has [boasted](#) having the most complete manufacturing supply chains in the world post-pandemic. This would not have been possible without decades of foreign investment. That said, concerns held by multinational companies in China in the research-intensive industries are here to stay, as the competition with local companies intensify and calls for “buy local” persist in local government directives.

Balance the relationship between development and security

For Beijing, the call for self-reliance is also driven by concerns about national security. The CCP Politburo held a group study session on national security on December 12, 2020, featuring President Yuan Peng of the China Institutes of Contemporary International Relations (CICIR), whom the Policy+ group has previously met with twice. Yuan has been put in charge as the secretary-general of the first-ever research center on China’s overall national security concept, pointing to his growing clout and authority on the matter. It [was](#) the first session on a related topic since April 2014, when the then-Secretary General of the Central Political Legal Affairs Commission briefed the group on counterterrorism. At the December study session last year, Xi [called](#) for a holistic approach to national security—efforts must be made to balance both development and security with equal weight on both aspects.

NUMBER OF TIMES KEYWORD "SECURITY" MENTIONED IN THE FIVE-YEAR PLAN



“The CCP was born at a time of national crisis, [and therefore] has a deep understanding of the importance of national security and has always highly valued it. Having gone through different stages, from “standing up (站起来),” “getting developed (富起来),” to finally, “becoming powerful (强起来),” the Party never stops to update its national security concept and strategy, following closely with the international situation,” [contended](#) Dong Chunling, Assistant Researcher of the Institute of American Studies at CICIR.

For the first time in the history of China’s FYPs, the 14th edition dedicates an entire chapter to strengthening the construction of a national security system to ensure both *conventional* and *unconventional* security risks can be properly addressed. The former type of security risks is intuitive, spanning from military to power politics, whereas the latter involves new threats from economic, technological, biological, energy, and other fronts. While economic security appears to be a trendy subject right now, it is not novel to the Party. The 15th Party Congress was first to recognize the need to safeguard economic security. Since then, Beijing has sought to [broaden](#) the scope of national security as China goes through different stages of development. Recognizing China has become one of the most powerful countries in the world, the 14th FYP signals a pivotal shift in Beijing’s grand strategic thinking. In the past, security was more of a backburner issue for

the sake of rapid economic development, but the increasing competition with the US has now demonstrated how insufficient protection of security interests (e.g., bottleneck technologies) could end up handicapping economic development.

As such, one can foresee a stronger push for incorporating national security into all aspects of policymaking in China and even becoming pervasive in day-to-day life.

One can also bid farewell to the good old days of China hiding its strength and biding its time. Beijing will adopt a more proactive and likely assertive foreign policy approach to match up with its expansive national security strategy. The 13th FYP calls for China to “Actively Participate in Global Economic Governance (积极参与全球经济治理),” whereas the 14th edition instead titles the chapter as “Actively Participate in the Reform and Development of Global Governance (积极参与全球治理体系改革和建设).” Interestingly, while “Actively Undertake International Responsibility and Duty (积极承担国际责任和义务)” is a standalone chapter in the 13th FYP, similar phrasing is nowhere to be found in the 14th FYP and the entire chapter is left out. Instead, the 14th edition puts an emphasis on contributing to foreign aid “to China’s best ability” under a section titled “Actively Cultivate a Good External Environment (积极营造良好外部环境),” featured in the chapter on global governance. This could point to a possible recalculation of China’s aid strategy as Beijing simultaneously faces deteriorating relations with many western countries and sluggish growth at home. One thing is for certain, the sweeping array of national security demands, will likely leave little wiggle room for Chinese diplomats, who have little choice but to maintain a bold posturing on the global stage.

Implications for foreign companies in China

2020 was marked by the global pandemic and a deterioration of the US-China bilateral relationship. The Chinese government shouldered a lot of pressure to perform well and pulled through as the only major economy achieving positive growth at the end of the year. As a result, China can commence 2021 on a strong footing. The 2021 Two Sessions and the release of the 14th FYP boast Beijing’s full confidence in the superiority of the Chinese system. However, at the same time, the government has continued to exercise caution in setting macroeconomic policy goals—focusing on those that allow for sufficient cushion and serve mainly for indicative purpose—for the next five years and ahead.

Foreign companies in China will unlikely be able to take a breather this year, as tensions between countries where their top markets are based (likely one of them being China) do not appear to be slowing. A state-led push for technological self-reliance and a pervasive national security strategy, coupled with rising nationalism, suggest that foreign businesses need to factor geopolitics into their scenario-planning more than ever. As Beijing beefs up its willingness to adopt a more assertive foreign policy approach, companies will be expected to proactively serve as the stabilizing force in the bilateral relationship between China and their home countries. A mere pledge of “allegiance” to the China market will not be deemed as sufficient in the eyes of the Chinese public. Companies will also need to look at ways to ensure messaging between their China and global offices are more seamlessly aligned.

At the same time, the relaxed and less-restrictive targets set by Beijing will allow for more decentralization and gradual reforms. Companies should look closely at the 14th FYP

implementation plans rolled out by local governments and seize windows of opportunity for advocacy accordingly.

Appendix: reading between lines

The terminology within China's *Annual Government Work Reports* indicates the priorities and concerns of the Party. The chart below highlights the most popular Chinese keywords found in the 2019, 2020, and 2021 *Reports* and compares the number of times they have appeared over the last three years. Please note that the full 2020 *Report* was half the average length seen in previous years, and therefore, the arrow comparisons are based on a halving of the 2019 numbers. The total length of the 2019, 2020, and the 2021 *Reports* is around 40,000, 11,000, and 17,000 characters respectively.

Keyword in Chinese	Keyword Translated to English	2019 Frequency	2020 Frequency	2021 Frequency
改革	Reform	109	33	46
稳	Stable/Stabilize	74	42	65
经济	Economy	68	39	67
创新	Innovation	46	12	45
政府	Government	39	19	22
人民	The People	32	28	26
党	CCP/Party	22	18	23
科技	Science and Technology	18	8	23
生态	Ecological/Ecology	15	5	16
习近平	Xi Jinping	13	11	12
外资	Foreign Capital	10	5	6
国企	SOE	3	3	2
知识产权	Intellectual Property	3	1	2
中美	Sino-US	1	1	1

The following chart compares the wording around similar concepts expressed in the 2020 and 2021 Annual Government Work Reports in Chinese.

2020	2021
工作回顾 Government Work Review	
<p>发展面临诸多困难挑战</p> <p>In pursuing development, China faced many difficulties and challenges</p>	<p>过去一年，在新中国历史上极不平凡</p> <p>Quite an eventful year in the PRC history</p>
<p>以习近平同志为核心的党中央团结带领全国各族人民攻坚克难，完成全年主要目标任务，为全面建成小康社会打下决定性基础</p> <p>The Party Central Committee with Comrade Xi Jinping at its core rallied the Chinese people and led them in surmounting difficulties and accomplishing the year's main targets and tasks, thus laying the crucial foundation needed to reach the goal of building a moderately prosperous society in all respects</p>	<p>在以习近平同志为核心的党中央坚强领导下，全国各族人民顽强拼搏，疫情防控取得重大战略成果，在全球主要经济体中唯一实现经济正增长，脱贫攻坚战取得全面胜利，决胜全面建成小康社会取得决定性成就</p> <p>Under the leadership of Party Central Committee with Comrade Xi Jinping, the Chinese people demonstrated great resilience, and China obtained huge achievements in disease control, economic recovery (the only country with positive growth after the pandemic), and poverty alleviation, which are crucial to the eventual realization of building a moderately prosperous society in all respects</p>
<p>国内经济下行压力加大</p> <p>Downward pressure on the domestic economy grew</p>	<p>今年我国发展仍面临不少风险挑战，但经济长期向好的基本面没有改变</p> <p>Chinese economy kept the momentum of steady growth despite risks and challenges</p>
<p>改革开放迈出重要步伐</p> <p>Major headway was made in reform and opening up</p>	<p>改革开放和社会主义现代化建设又取得新的重大进展</p> <p>Major breakthroughs were made in "reform and opening" and modernization</p>
<p>共建“一带一路”取得新成效</p> <p>The joint efforts to pursue the "Belt and Road Initiative" yielded fresh results</p>	<p>对外开放持续扩大，共建“一带一路”成果丰硕</p> <p>The BRI yielded fruitful results as China pursues economic liberalization and opening up policies</p>
<p>生态环境总体改善</p> <p>Overall improvements in the environment</p>	<p>污染防治力度加大，资源能源利用效率显著提升，生态环境明显改善</p> <p>More rigorous approach to promoting pollution alleviation, more efficient use of natural resources</p>

	and energy, and significant improvement of the environment
稳中求进 Pursuing progress while ensuring stability	在相互尊重基础上，推动中美平等互利经贸关系向前发展 Promoting equal and mutually beneficial economic and trade relations between the US and China based on the principle of mutual respect
共同落实中美第一阶段经贸协议 We will work with the United States to implement the US-China Phase One Economic and Trade Agreement	在相互尊重基础上，推动中美平等互利经贸关系向前发展 Promoting equal and mutually beneficial economic and trade relations between U. and China based on the principle of mutual respect
提高生态环境治理成效 More effective protection of ecosystems and the environment	加快发展方式绿色转型，协同推进经济高质量发展和生态环境高水平保护 Expedite the transition into a green and sustainable development mode, ensuring high-quality economic development and environmental protection will improve in accordance
提高科技创新支撑能力 Boost our capacity to support technological innovation	大力促进科技创新，产业转型升级步伐加快 Accentuated support for technological innovation, facilitating industrial upgrade
提升国资国企改革成效。实施国企改革三年行动 Improve the performance of state capital and SOE reforms. We will launch a three-year action plan for SOE reform.	深入实施国企改革三年行动，做强做优做大国有资本和国有企业。深化国有企业混合所有制改革 Comprehensive execution of the three-year action plan for SOE reform, strengthening SOEs and state capital
继续推动西部大开发、东北全面振兴、中部地区崛起、东部率先发展。深入推进京津冀协同发展、粤港澳大湾区建设、长三角一体化发展 We will continue to promote large-scale development in the western region, the full revitalization of the northeast, the rise of the central region, and the trailblazing development of the eastern region. We will move forward with the coordinated development of the Beijing-Tianjin-Hebei region, the development of the Guangdong-Hong Kong-Macao Greater Bay Area,	扎实推动京津冀协同发展、长江经济带发展、粤港澳大湾区建设、长三角一体化发展、黄河流域生态保护和高质量发展，高标准、高质量建设雄安新区 Promote the coordinated development of Beijing-Tianjin-Hebei region, the Greater Bay Area, and the Yangtze River Delta; promote the ecological preservation and high-quality development of the Yellow River Basin; ensure high standard, high-quality construction of the Xiong'An District

and the integrated development of the Yangtze River Delta.	
<p>中国特色大国外交成果丰硕</p> <p>Achieved fruitful outcomes in pursuing China's major country diplomacy</p>	<p>中国特色大国外交卓有成效</p> <p>China's great power diplomacy has been effective</p>
今年经济社会发展总体要求和政策导向 Overall Requirements and Policy Directions for this year	
<p>我们没有提出全年经济增速具体目标，主要因为全球疫情和经贸形势不确定性很大</p> <p>We have not set a specific target for economic growth this year. This is because our country will face some factors in its development that are difficult to predict due to the great uncertainty regarding the COVID-19 pandemic and the world economic and trade environment</p>	<p>经济增速是综合性指标，今年预期目标设定为6%以上，考虑了经济运行恢复情况，有利于引导各方面集中精力推进改革创新、推动高质量发展。经济增速、就业、物价等预期目标，体现了保持经济运行在合理区间的要求，与今后目标平稳衔接，有利于实现可持续健康发展。</p> <p>As a general target, China's growth rate has been set at over 6 percent for this year. In setting this target, we have taken into account the recovery of economic activity. A target of over 6 percent will enable all of us to devote full energy to promoting reform, innovation, and high-quality development. The projected targets for growth, employment, and CPI should keep the economy performing within the appropriate range. These targets are also well-aligned with the annual goals of subsequent years in the 14th Five-Year Plan period, and they will help sustain healthy economic growth.</p>
<p>积极的财政政策要更加积极有为</p> <p>We will pursue a more proactive and impactful fiscal policy</p>	<p>积极的财政政策要提质增效、更可持续</p> <p>We will enhance the quality, efficiency, and sustainability of our proactive fiscal policy.</p>
<p>就业优先政策要全面强化。财政、货币和投资等政策要聚力支持稳就业。努力稳定现有就业，积极增加新的就业，促进失业人员再就业。各地要清理取消对就业的不合理限制，促就业举措要应出尽出，拓岗位办法要能用尽用</p>	<p>就业优先政策要继续强化、聚力增效。着力稳定现有岗位，对不裁员少裁员的企业，继续给予必要的财税、金融等政策支持。</p> <p>We will continue to improve the employment-first policy to enhance its performance. We will work to</p>

<p>We will strengthen the employment-first policy with comprehensive measures. We will create synergy to stabilize employment through the coordinated use of fiscal, monetary, and investment policies. We will strive to keep existing jobs secure, work actively to create new ones, and help unemployed people find work. All local governments need to overhaul or rescind excessive restrictions on employment and adopt all possible measures to bolster employment</p>	<p>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.</p>
<p>四、依靠改革激发市场主体活力，增强发展新动能 Energizing market entities through reform and strengthening new drivers of growth</p>	<p>二、深入推进重点领域改革，更大激发市场主体活力。 Advancing reforms in key areas and further energizing market entities</p>

政府工作任务 Tasks of this year

<p>推动制造业升级和新兴产业发展。支持制造业高质量发展。大幅增加制造业中长期贷款。发展工业互联网，推进智能制造，培育新兴产业集群。</p> <p>We will encourage the upgrading of manufacturing and the growth of emerging industries. We will support high-quality development of manufacturing. We will markedly increase medium- and long-term loans to manufacturers. We will promote the industrial internet, boost smart manufacturing, and foster clusters of emerging industries</p>	<p>坚持把发展经济着力点放在实体经济上，推进产业基础高级化、产业链现代化，保持制造业比重基本稳定，改造提升传统产业，发展壮大战略性新兴产业，促进服务业繁荣发展</p> <p>Place primary emphasis on the real economy, advancing industrial bases, modernizing industrial supply chains, maintaining the share of manufacturing sector in the entire economy, reforming and upgrading traditional industries, boosting the strategic development of emerging industries, and fostering a flourishing service sector</p>
<p>重点支持既促消费惠民生又调结构增后劲的“两新一重”建设，主要是：加强新型基础设施建设，发展新一代信息网络，拓展 5G 应用，建设数据中心，增加充电桩、换电站等设施，推广新能源汽车，激发新消费需求、助力产业升级</p> <p>Priority will be given to new infrastructure and new urbanization initiatives and major projects, which not only boost consumption and benefit the people, but also facilitate structural adjustments and enhance the sustainability of growth. Specifically, efforts will be made mainly in the following three areas: First, we will step up the construction of new types of infrastructure. We will develop next-generation information networks, expand 5G applications, and develop data centers. We will build more battery charging and swapping facilities and promote wider</p>	<p>发展工业互联网，促进产业链和创新链融合，搭建更多共性技术研发平台，提升中小微企业创新能力和专业化水平。加大 5G 网络和千兆光网建设力度，丰富应用场景。加强网络安全、数据安全和个人信息保护</p> <p>Develop industrial internet, facilitate syndications between industrial chains and innovation chains, build more platforms for technological innovation and for SMEs to boost their innovation and professional capacity; expand 5G infrastructures and potential applications; strengthen internet security, data security and user privacy protection</p>

<p>use of new-energy automobiles. We will stimulate new consumer demand and promote industrial upgrading.</p>	
<p>提高生态环境治理成效。突出依法、科学、精准治污。深化重点地区大气污染治理攻坚。加强污水、垃圾处置设施建设，推进生活垃圾分类。加快人口密集区危化品生产企业搬迁改造。壮大节能环保产业。</p> <p>We will ensure more effective protection of ecosystems and the environment. Priority will be placed on curbing pollution in a law-based, scientific, and targeted way. We will intensify efforts to control air pollution in key areas. We will step up the construction of sewage and garbage treatment facilities and move ahead with the sorting of household waste. The relocation and transformation of producers of hazardous chemical products in densely populated areas will be accelerated. We will boost the development of energy-saving and environmental protection industries.</p>	<p>继续加大生态环境治理力度。强化大气污染综合治疗和联防联控，加强细颗粒物和臭氧协同控制，北方地区清洁取暖率达到70%。整治入河入海排污口和城市黑臭水体，提高城镇生活污水收集和园区工业废水处置能力，严格土壤污染源头防控，加强农业面源污染治理。继续严禁洋垃圾入境。有序推进城镇生活垃圾分类处置。推动快递包装绿色转型。加强危险废物医疗废物收集处理</p> <p>Double down on environment and ecosystem governance efforts; control air pollution, fine particles, and ozone; The clean heating rate in northern area will reach 70%; improve the capacity of urban domestic sewage collection and industrial wastewater treatment, strictly control the source of soil pollution and strengthen the control of agricultural non-point source pollution; promote the classified disposal of urban domestic waste in an orderly manner; promote green transformation of express packaging; strengthen the collection and treatment of medical and hazardous wastes</p>
<p>优化民营经济发展环境。保障民营企业平等获取生产要素和政策支持，清理废除与企业性质挂钩的不合理规定</p> <p>We will foster an enabling environment for the development of the private sector. We will see that private businesses have equal access to production factors and policy support. We will review relevant regulations to abolish those that unfairly differentiate enterprises according to form of ownership.</p>	<p>构建高水平社会主义市场经济体制，激发各类市场主体活力，加快国有经济布局优化和结构调整，优化民营经济发展环境</p> <p>Build a strong market socialist economic system, stimulate vitality of all market players, expedite adjustments for the structural optimization of the economy, improve the environment for private sector development</p>
<p>积极利用外资</p> <p>We will step up utilization of foreign capital</p>	<p>积极有效利用外资</p> <p>Step up the effective utilization of foreign capital</p>
<p>加强公共卫生体系建设</p> <p>We will enhance the public health system</p>	<p>加大公共卫生体系建设力度</p> <p>We will enhance the public health system</p>
<p>我们要全面准确贯彻“一国两制”、“港人治港”、“澳人治澳”、高度自治的方针，建立健全特别行政区维护国家安全的法律制度和执行机制，落实特区政府的宪制责任。支持港澳发展经济、改善民生，更好融入国家发展大局，保持香港、澳门长期繁荣稳定。</p>	<p>我们要继续全面准确贯彻“一国两制”、“港人治港”、“澳人治澳”、高度自治的方针，完善特别行政区同宪法和基本法实施相关的制度和机制，落实特别行政区维护国家安全的法律制度和执行机制。坚决防范</p>

<p>We will fully and faithfully implement the policy of One Country, Two Systems, under which the people of Hong Kong govern Hong Kong and the people of Macao govern Macao, with a high degree of autonomy for both regions. We will establish sound legal systems and enforcement mechanisms for safeguarding national security in the two special administrative regions and see that the governments of the two regions fulfill their constitutional responsibilities. We will support Hong Kong and Macao in growing their economies, improving living standards, and better integrating their development into China's overall development, and help them maintain long-term prosperity and stability.</p>	<p>和遏制外部势力干预港澳事务，支持港澳发展经济、改善民生，保持香港、澳门长期繁荣稳定</p> <p>We will continue, fully and faithfully, to implement the policies of One Country, Two Systems, the people of Hong Kong governing Hong Kong, the people of Macao governing Macao, and a high degree of autonomy for both regions. We will ensure the fairer execution of the basic law in the two regions. We will strictly implement the National Security Law, defending Hong Kong and Macao against the encroachment of foreign unduly influences, supporting their economic development, improving the wellbeing and livelihood of Hong Kong and Macao residents, and ensuring their long-term prosperity and stability</p>
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The following chart compares a series of policy indicators listed in the 13th FYP and the 14th FYP. Please note that the numbers are growth rate per annum (cumulative) for easy comparison.

		13 th FYP			14 th FYP
类别	指标	年均增速【累计】	属性	年均增速【累计】	属性
Category	Indicator	Growth rate per annum (cumulative)	Nature	Growth rate per annum (cumulative)	Nature
经济发展 Economic Development	国内生产总值 (GDP) 增长 (%) Gross Domestic Product (GDP) growth (%)	> 6.5	预期性 Indicative	保持在合理区间、各年度视情提出 Keep within a reasonable interval; each year depends on the situation	预期性 Indicative
	全员劳动生产率增长 (%) Labor Productivity growth (%)	> 6.6	预期性 Indicative	高于 GDP 增长 Higher than GDP growth	预期性 Indicative

	常住人口城镇化率 (%) Urbanization Rate (%)	3.9	预期性 Indicative	4.4	预期性 Indicative
	服务业增加值比重 Services, value added (% of GDP)	5.5	预期性 Indicative	N/A	
创新驱动 Innovation	全社会研发经费投入增长 (%) Growth in R&D spending (%)	0.4	预期性 Indicative	> 7; 力争投入强度高于“十三五”时期实际 > 7; aim for a higher share in GDP than under the 13th FYP	预期性 Indicative
	每万人口高价值发明专利拥有量 (件) Number of innovation patents per thousand population	5.7	预期性 Indicative	5.7	预期性 Indicative
	数字经济核心产业增加值占 GDP 比重 (%) Digital Economy share of GDP (%)	N/A		2.2	预期性 Indicative

	科技进步贡献率 (%) Share of technological advancements' contribution to GDP (%)	5	预期性 Indicative	N/A	
	互联网普及率 Internet penetration rate	固定宽带家庭普及率 (%) Fixed broadband penetration rate (%) 30	预期性 Indicative	N/A	
		移动宽带用户普及率 (%) Mobile broadband penetration rate (%) 28	预期性 Indicative		
民生福祉 Wellbeing and Livelihood	居民人均可支配收入增长 (%) Growth in household disposable income (%)	> 6.5	预期性 Indicative	与 GDP 增长基本同步 In line with GDP	预期性 Indicative
	劳动年龄人口平均受教育年限 (年) Average years of education received by labor force	0.57	约束性 Binding	0.5	约束性 Binding
	城镇新增就业人数 (万人) Urban employment growth	> 5,000	预期性 Indicative	N/A	
	农村贫困人口脱贫 (万人) Poverty alleviation of rural population	5,575	约束性 Binding		

	城镇调查失业率 (%) Urban survey unemployment rate (%)	N/A		< 5.5	预期性 Indicative
	基本养老保险参保率 Basic pension insurance participation rate (%)	8	预期性 Indicative	4	预期性 Indicative
	每千人口拥有执业 (助理) 医师数 (人) Number of licensed physicians per thousand population	N/A		0.5	预期性 Indicative
	每千人口拥有 3 岁以下婴幼儿托位数 (个) Nurseries for infants under 3-y-o per thousand population			2.7	预期性 Indicative
	城镇棚户区住房改造 (万套) Number of renovated housing in urban area	2,000	约束性 Binding	N/A	
	人均寿命 (岁) (每年提高岁数) Average life expectancy (number of increase by year)	1	预期性 Indicative	1	预期性 Indicative
绿色生态 Green Ecology	耕地保有量 (亿亩) Retained agricultural land (100 mil mu)	-	约束性 Binding	N/A	
	新增建设用地规模 (万亩) Increased construction land (10 thousand mu)	< 3256	约束性 Binding		

万元 GDP 用水量下降 (%) Reduction in water consumption per 10-thousand-yuan GDP (%)	23	约束性 Binding		
单位 GDP 能源消耗降低 (%) Reduction in energy consumption per unit of GDP (%)	15	约束性 Binding	13.5	约束性 Binding
非化石能源占一次能源消费比重 (%) Percentage of non-fossil energy in primary energy consumption (%)	3	约束性 Binding	N/A	
单位 GDP 二氧化碳排放降低 (%) Reduction in CO2 emissions per unit of GDP (%)	18	约束性 Binding	18	约束性 Binding
地级及以上城市空气质量优良天数比率 (%) Good air quality rate at prefecture level and above (%)	3.3	约束性 Binding	0.5	约束性 Binding
细颗粒物 (PM2.5) 未达标地级市及以上城市浓度下降 (%) Concentration of cities at or above prefecture level that failed to meet PM2.5 standard (%)	18	约束性 Binding	N/A	
地表水达到或好于III类水体比例 (%)	4	约束性 Binding	1.6	约束性 Binding

	Percentage of Class III- or above rated surface water (%)				
	地表水质量劣 V 类水体 比例 (%)	4.7	约束性 Binding	N/A	
	Percentage of Class V- or lower rated surface water (%)				
	化学需氧量	10	约束性 Binding		
	Chemical oxygen demand (COD)				
	氨氮排放总量减少 (%)	10	约束性 Binding		
	Total reduction in ammonia nitrogen emission (%)				
	二氧化硫排放总量减少 (%)	15	约束性 Binding		
	Total reduction in sulfur dioxide emission (%)				
	氮氧化物排放总量减少 (%)	15	约束性 Binding		
	Total reduction in nitrogen oxide emission (%)				
	森林覆盖率 (%)	1.38	约束性 Binding	0.9	约束性 Binding
	Forest coverage rate (%)				
	森林蓄积量 (亿立方米)	14	约束性 Binding		
安全保障	粮食综合生产能力 (%)	N/A		> 6.5	约束性
	Comprehensive grain production capacity			> 650mn tons	Binding

Security and Safety	能源综合生产能力 (亿吨标准煤) Comprehensive energy generation capacity		> 46 > 4.6bn tons of coal equivalent	约束性 Binding
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