

—The macroeconomy—**Summary**

China's real GDP growth rate for January–September stood at +3.0%, with the figure for July–September coming in at +3.9%, up on April–June's +0.4% result. However, services consumption was pushed down by frequent sporadic Covid-19 outbreaks. There were also concerns about slowing external demand as developed countries tightened monetary policy. Xi Jinping's Report to the 20th National Congress emphasized the need to "safeguard the security of China's state power, systems...and ensure the security of food, energy, and resources as well as key industrial and supply chains" (Chapter 11).

1. Some September economic indicators improved and some deteriorated on August

- Real GDP growth accelerated to +3.9% in 3Q
- Production and investment accelerated but consumption slowed
- The floor space of residential buildings sold contracted at a slower pace; homes prices fell for the sixth straight month, with more cities also seeing prices fall on a monthly basis
- Exports slowed and imports accelerated slightly
- CPI growth accelerated while PPI growth slowed
- New bank loans increased and total social financing expanded

2. Topics: China's economic policy measures as revealed at the National Congress

- There is a growing sense of brewing crises, with the authorities emphasizing the need to ensure 'security'
- The recent Xi Jinping Report reiterates the economic development goals for 2035 and 2050, as set out at the 19th National Congress in 2017

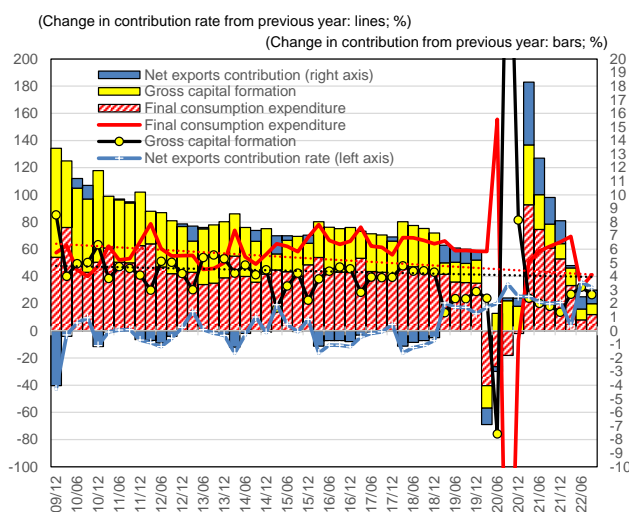
1. Some September economic indicators improved and some deteriorated on August

▪ Real GDP growth accelerated to +3.9% in 3Q

On October 24, the National Bureau of Statistics (NBS) announced that China’s real GDP growth rate for January–September stood at +3.0% on the same period last year (from here on, all figures refer to a “same-period previous-year comparison” unless otherwise specified), with the figure for July–September coming in at +3.9%¹. Quarter-on-quarter growth returned to positive territories in 3Q at +3.9% (2Q: -2.6%).

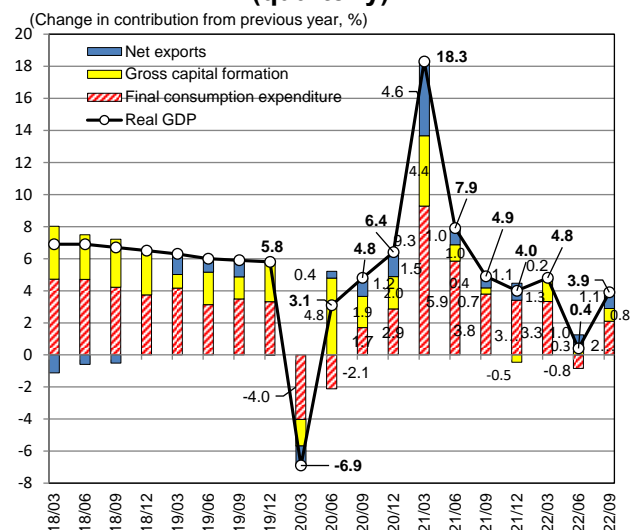
A glance at contribution levels by demand item over January–September shows the contribution of final consumption expenditure standing at +1.2% followed by net exports at +1.0 and gross capital formation at +0.8% (Fig. 1). A comparison between 3Q and 2Q shows the contribution of final consumption expenditure returning to positive territories at +2.1% (2Q: -0.8%) with contribution levels also up when it came to gross capital formation (from 0.3% in 2Q to 0.8%) and net exports (from 1.0% to 1.1%) (Figs. 1 and 2). Consumption had been curbed in 2Q by the restrictions on movement imposed in Shanghai and Jilin to control Covid-19, but consumption partially recovered in 3Q and this pushed GDP up (Fig. 4).

Fig. 1: Breakdown of GDP by demand item



Note: The figures show the cumulative results from the beginning of the year.
 Gross capital formation for Jan.–Sep. 2020: +368.0%;
 Final consumption expenditure: -302.4%
 Source: NBS, CEIC

Fig. 2: Breakdown of GDP by demand item (quarterly)



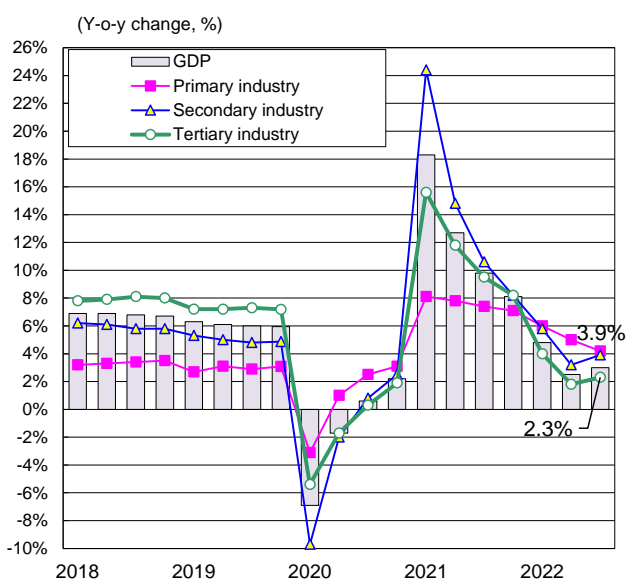
Source: NBS, CEIC

¹ NBS, October 24, 2022, “National Economy Showed Sound Momentum of Recovery in the First Three Quarters”

The announcement was originally due on October 18.

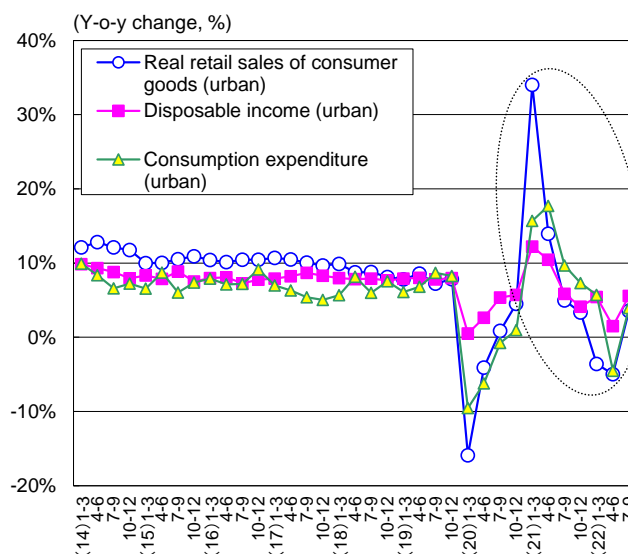
http://www.stats.gov.cn/english/PressRelease/202210/t20221024_1889500.html

Fig. 3: GDP by sector



Note: The figures show the cumulative results until the most recent period.
Source: NBS, CEIC

Fig. 4: Urban disposable income



Source: CEIC

A breakdown by sector over January–September shows the primary industry growing by +4.2%Pts, the secondary industry by +3.9%Pts, and the tertiary industry by +2.3%Pts, with the tertiary industry posting the fastest growth compared to January–June (+0.7%Pts) (Fig. 3).

▪ Production and investment accelerated but consumption slowed

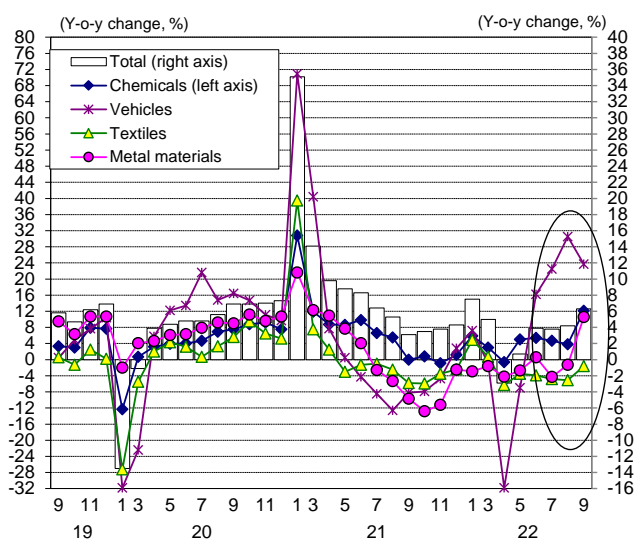
At +6.3%, September’s value-added industrial production figure was up on August’s +4.2% (the m-o-m figure was +0.8%). At +3.9%, the figure for January–September was up on the +3.6% figure recorded in January–August (Fig. 5). When discussing the strong production recovery in September, the NBS said the impact of power restrictions in some regions has eased as the weather cooled, with some sectors undergoing a recovery. The NBS added that the low base level in the same month last year had also pushed up the data².

At +5.9%, nominal fixed asset investment in January–September accelerated on January–August’s +5.8%. At +6.7%³, the figure for September was up on August’s +6.6% (the m-o-m figure was +0.5%). Investment in infrastructure construction in January–September was up on the figure for January– August (from +8.3% to +8.6%), as was investment in manufacturing (from +10.0% to +10.1%). At -6.6%, though, investment in real estate development fell further into negative territories (January–August: -6.2%) (Fig. 6).

² NBS, October 24, 2022, “江源：政策措施加力显效 工业生产明显回升 (Jiang Yuan: Tougher policies have borne fruit, with industrial production clearly recovering)”. Jiang Yuan is the deputy director of the Department of Industrial Statistics of the NBS.
http://www.stats.gov.cn/tjsj/sjjd/202210/t20221024_1889486.html

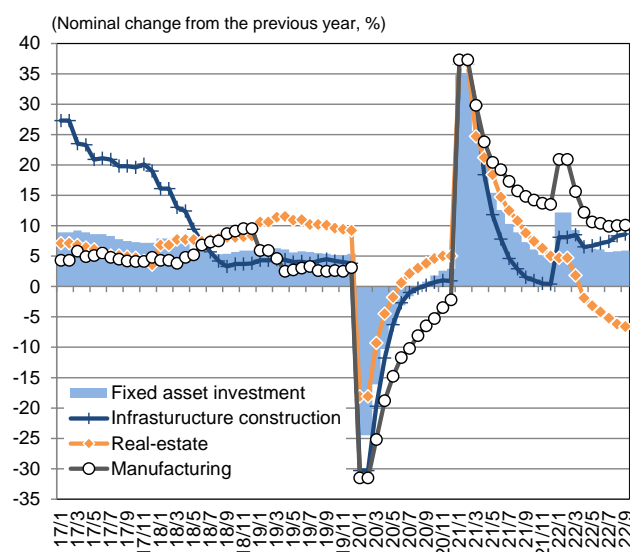
³ Calculated by this report’s author based on cumulative figures.

Fig. 5: Value-added industrial production



Note: After discounting cost price factors. The figure for January shows the cumulative y-o-y change for the period January–February.
Source: CEIC

Fig. 6: Fixed asset investment



Note: The figures show a same-period previous-year comparison of the cumulative results for periods lasting from the beginning of the target year until the month in question.
Source: NBS, CEIC

Nominal retail sales of consumer goods grew by +2.5% in September, up on August’s figure of +5.4% (+0.4% m-o-m) (Fig.7). At +0.7%, the figure for January–September was up slightly compared to January–August (+0.5%). At +3.0%, good sales fell in September (August: +5.1%), with spending on food also dipping into negative territories again at -1.7% (August: +8.5%). Shu Jue Ting, spokesman of the Ministry of Commerce, explained⁴ that “market entities in physical retailing, restaurants and hotels are still faced with challenges due to unexpected factors such as the epidemics.”

In January–September, internet retail sales of goods and services grew by 6.1% to hit RMB 9,588.4 billion (goods: RMB 8,237.4 billion; services: RMB 1,351.0 billion), with net shopping accounting for 25.7% of total retail sales of consumer goods (RMB 32,030.5 billion)⁵.

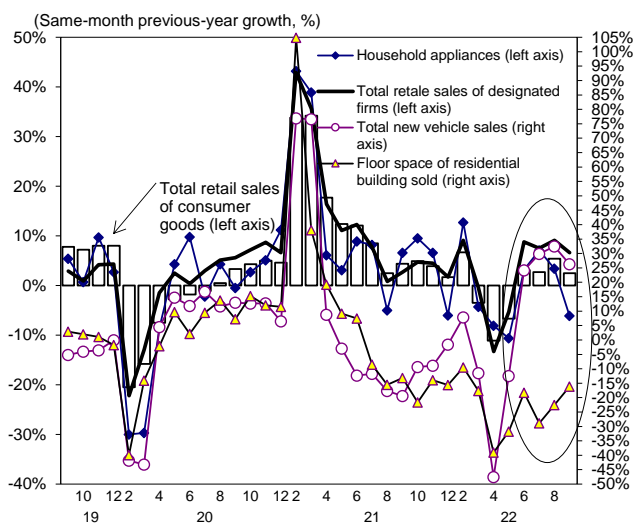
2.610 million new vehicles were sold in September (+26.3%), with sales continuing to recover at a fast clip (August: 2.383 million sales and +32.5% growth). The cumulative data for January–September stood at 19.460 million sales (+4.6%). Growth was down a substantial -12.1% over January–April. This figure improved to -1.9% over January–July before finally returning to positive y-o-y growth of +1.9% in January–August, with growth accelerating thereafter (Fig. 8). When discussing sales in September, Chen Shihua, deputy secretary-general of the China Association of Automobile Manufacturers (CAAM), said car production and sales had continued to grow at a fast pace compared to the previous year, with passenger car sales bottoming out, commercial vehicle production and sales both up on the previous month, and new energy vehicle (NEV) sales growth renewing a record high. He added that the business results of key industry groups (the share of the top ten carmakers in terms of sales) were

⁴ The Ministry of Commerce, October 27, 2022, 商务部召开例行新闻发布会 (Ministry of Commerce Holds a Regular Press Conference) <http://www.mofcom.gov.cn/xwfbh/20221027.shtml>

⁵ NBS, October 24, 2022, “Total Retail Sales of Consumer Goods in the First Nine Months of 2022” http://www.stats.gov.cn/english/PressRelease/202210/t20221025_1889683.html

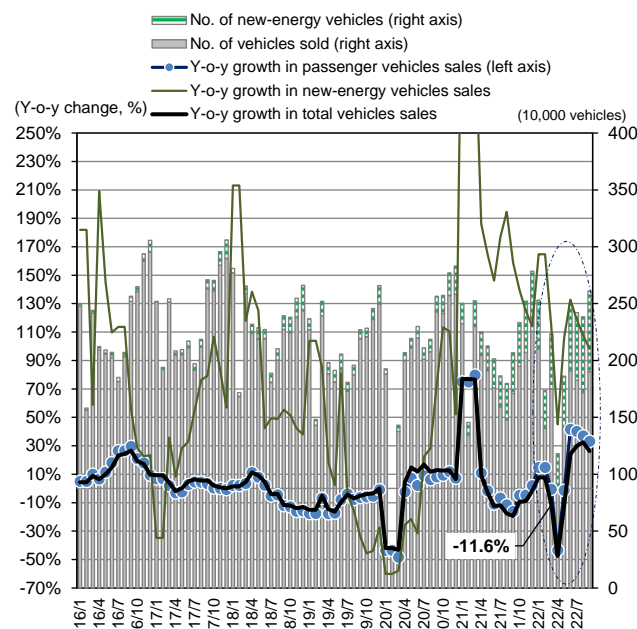
moving stably overall, with exports growing at a fast clip and automobile industry business indicators continuing to improve.

Fig. 7: Retail sales of consumer goods; retail sales by item; floor space of residential building sold



Note: Designated firms: firms with an annual turnover of RMB 5 million or over; the household appliance data also refers to sales by these designated firms; February = the cumulative results for January–February.
Source: CEIC

Fig. 8: Number of vehicles sold (by passenger vehicles and commercial vehicles)



Note: The figure for January and February shows cumulative y-o-y change for the period January–February. The figure for January–February NEVs sales growth in 2021 is +387.5%.
Source: CAAM, CEIC

The CAAM also predicted that the automobile market would grow stably over 4Q on the success of policies to stabilize growth and promote consumption, with NEVs and automobile exports also likely to remain bullish and the automobile market likely to hit targets going forward. However, the CAAM said the base of the economic recovery was unstable and it pointed to substantial uncertainties regarding the changing external situation, with the international environment also complicated. It noted that inflation remained high in the developed nations, with the global economy facing more headwinds. Given this, the CAAM predicted that policies to promote automobile consumption would be extended into 2023, with the automobile industry set to continue growing stably⁶.

The surveyed unemployment rate at the end of September deteriorated to 5.5% (compared to 5.3% at the end of August), though the rate for people aged 16–24 had improved from 18.7% at the end of August to 17.9% (Fig. 9).

▪ The floor space of residential buildings sold contracted at a slower pace; homes prices fell for the sixth straight month, with more cities also seeing prices fall on a monthly basis

The floor space of residential buildings sold contracted by -22.2% (1,014.22 million m²) in January–September,

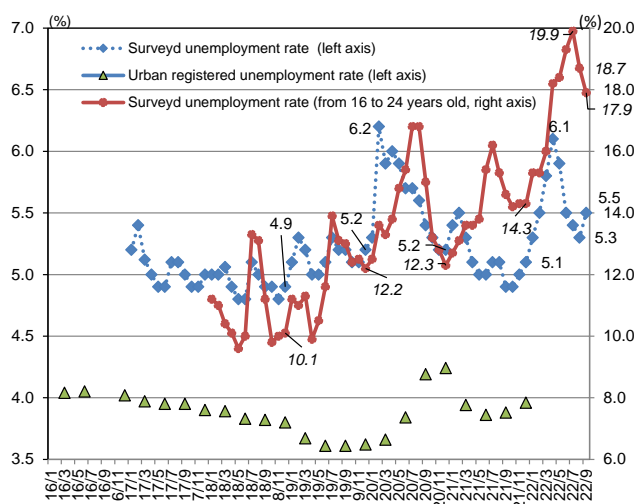
⁶ CAAM, October 11, 2022 “中国汽车工业协会 2022 年 10 月信息发布会在北京召开 (CAAM Holds a Press Conference in Beijing on October 2022)”

http://www.caam.org.cn/chn/1/cate_3/con_5236351.html

with the cumulative data down on the previous year for nine straight months, though the scale of the contraction improved slightly compared to January–August (-23.0%). The monthly data shows the figure falling on the previous year for 14 straight months, dating back to July 2021 (Fig. 10).

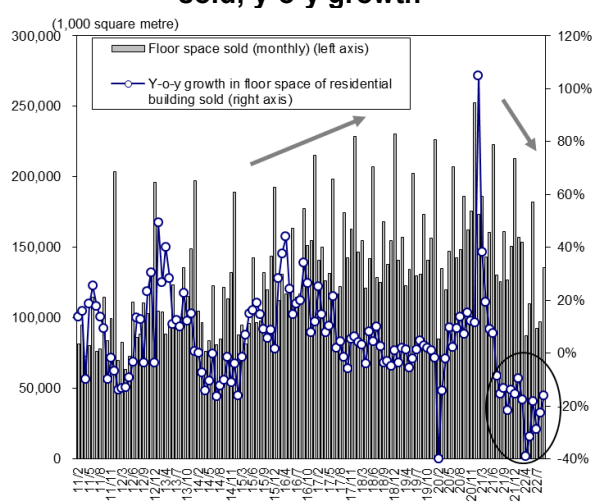
Housing sales bottomed out and began recovering in April 2015 following measures by the authorities to prop up the real-estate market. The People’s Bank of China (PBC) lowered deposit and lending rates six times from November 2014, for instance, while the (lowest) down payment rate for second homebuyers was cut from 60% to 40% (March 30, 2015) and the down payment rate for first-time homebuyers was also lowered to 25% (September 30, 2015). Thereafter, buying restrictions pioneering in Shanghai and Shenzhen in March 2016⁷ subsequently spread to other cities with surging house prices⁸, with the restrictions being tightened further⁹.

Fig. 9: The surveyed unemployment rate



Note: The figures within the graph denote the 2018–2021, February 2020, April 2022 and the end of the latest month
Source: NBS, CEIC

Fig. 10: Floor space of residential building sold; y-o-y growth



Note: February = the cumulative results for January–February
Source: CEIC

Funds flowed into the housing market on the back of monetary easing to tackle the impact of Covid-19. The

⁷ On March 25, 2016, the down payment rate for second homebuyers was lifted from 40% to 50–70% in Shanghai. Shenzhen has lifted the down payment rate for second homebuyers from 30% to 40%. Both moves represent a tightening of restrictions on purchases by non-resident buyers.

⁸ Similar tightening measures have also spread to cities with conspicuous house price inflation, with Xiamen, Nanjing and Hefei introducing similar regulations from the end of April to mid-July 2016, for example. Reference: Economic Information Daily, July 14, 2016, “房地产严重分化 因城施策将是下半年楼市政策主线 (China’s acute property price bifurcation problem: Main real-estate measures in 2H influenced by the regional policies)”, etc.

http://www.china.com.cn/shehui/2016-07/14/content_38877726.htm

People’s Daily on October 11, 2016, entitled “限购、限贷，近期已有 20 城市推出新举措 楼市调控 因城施策 (Restrictions on housing purchases and loans recently introduced in 20 cities: Restrictions geared to meet the circumstances of each city).” Restrictions on housing purchases were introduced in 20 cities at the time the article was written.

<http://www.fangchan.com/news/6/2016-10-11/6191397283909931925.html>

⁹ The 21st Century Business Herald, March 20, 2017, “北京最严楼市调控“认房又认贷” 下半年全国楼市降温可期 (Checks on housing and loan records’: Beijing’s strictest real estate controls set to chill housing markets nationwide in 2H).” Beijing has introduced ‘the toughest controls in history.’ It lifted the down payment rate for second home purchases to at least 60 percent on March 17, for instance, with the rate lifted to at least 80% for buyers who will not be living at the property. Furthermore, the city has also suspended issuances of mortgage loans for individuals with maturities of 25 years or more, while homes bought by companies cannot be resold for at least three years.

http://epaper.21jingji.com/html/2017-03/20/content_58356.htm

authorities subsequently held a seminar with some major real-estate companies in August 2020 to discuss fundraising controls and financial management regulations¹⁰. Furthermore, at the end of 2020 the authorities introduced caps on the total amount of property loans or mortgage loans banks can extend¹¹.

In September, 20 cities saw the price of new homes rising on the previous year, down from 21 cities in August. Fifty cities saw the price of new homes falling on the previous year, up from 49 in August. Growth dipped further into negative territories in first-tier cities (from -1.7% in August to -1.8%), second-tier cities (from -0.4% to -0.6%) and third-tier cities (from -3.7% to -3.8%) (Fig. 11). At -2.3%, average growth for the 70 surveyed cities was down further compared to August's figure of -2.1%, with growth down on the previous year for the sixth straight month¹².

On a monthly basis, 15 of the 70 cities surveyed saw the price of new homes rising, down from 19 cities in August. As in August, only one city saw prices moving flatly on the previous month in September, while 54 cities saw prices falling on the previous month, up four on August (Fig. 12)¹³.

¹⁰ Ministry of Housing and Urban-Rural Development, August 23, 2020, “住房和城乡建设部、人民银行联合召开房地产企业座谈会 (The Ministry of Housing and Urban-Rural Development and the PBC Hold a Seminar with Real-estate Companies)”
http://www.mohurd.gov.cn/xwfb/202008/t20200823_246876.html

The 21st Century Business Herald, September 16, 2020, “1-8月商品房销售额增速转正 “三条红线”影响隐现 (The Impact of the ‘Three Red Lines’ Emerges as Commercial Home Prices Return to Positive Growth over January-August).” According to this and other reports, (1) the authorities have introduced three quantitative ‘red lines’ in order to control lending, namely: a 70% ceiling on debt-to-asset ratios, after excluding funds from advanced sales; a 100% cap on debt-to-capital ratios; and a requirement that short-term debt does not exceed cash reserves. (2) Real-estate firms will be divided into four tiers: Red (firms that fail to clear all the red lines), Orange (firms that fail to clear two red lines), Yellow (firms that fail to clear one red line) and Green (firms that clear all the red lines). (3) Firms adjudged to fall into the Red tier will not be able to increase their interest-bearing debt for one year, while firms in the other tiers will be allowed to increase interest-bearing debt by up to 5%, 10% and 15%, respectively.
<https://m.21jingji.com/article/20200916/f48a298d32f729636b8ae51767ebf5a1.html>

¹¹ Released on December 31, 2020, “中国人民银行 中国银行保险监督管理委员会关于建立银行业金融机构房地产贷款集中度管理制度的通知 (Yin Fa [2020] No.332) (Circular on the Establishment of a Real Estate Loan Concentration Management System for Banking Institutions)” announced the establishment from January 2021 of a management system for bank real-estate loans and housing loans. This caps the amount of property loans as a proportion of total loans in accordance with the size of bank assets. This cap of outstanding real-estate loans and housing loans to total loans will be 40% and 32.5% respectively for China's largest banks and 12.5% and 7.5% for the lowest-tier village banks. Banks whose ratios exceed these new caps as of the end of 2020 will be required to lower these ratios on a planned manner. Banks will be granted a two-year grace period if they exceed the caps by less than 2 percentage points and a four-year grace period if they exceed the caps by more than 2 percentage points.
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=955098&itemId=928&generaltype=0>

¹² Of the 70 cities surveyed, the following three cities saw the fastest home price growth: Hangzhou +6.5%, Chengdu +6.2%, and Beijing +6.1% (September).

¹³ NBS, October 24, 2022, “Sales Prices of Residential Buildings in 70 Medium and Large-sized Cities in September 2022”
http://www.stats.gov.cn/english/PressRelease/202210/t20221024_1889647.html

From January 2018, the data no longer includes the sales price of affordable housing.

Fig. 11: New-homes prices (y-o-y)

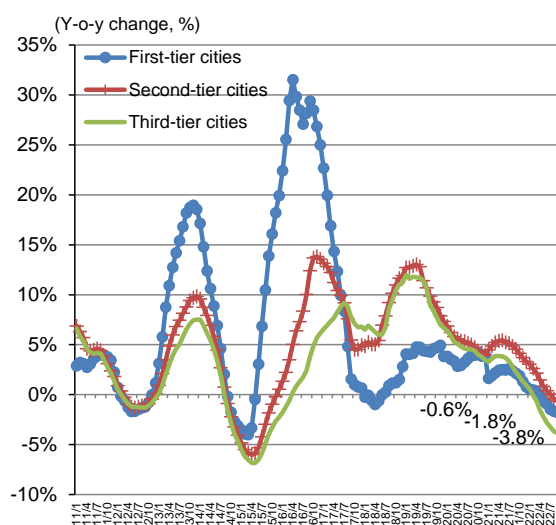
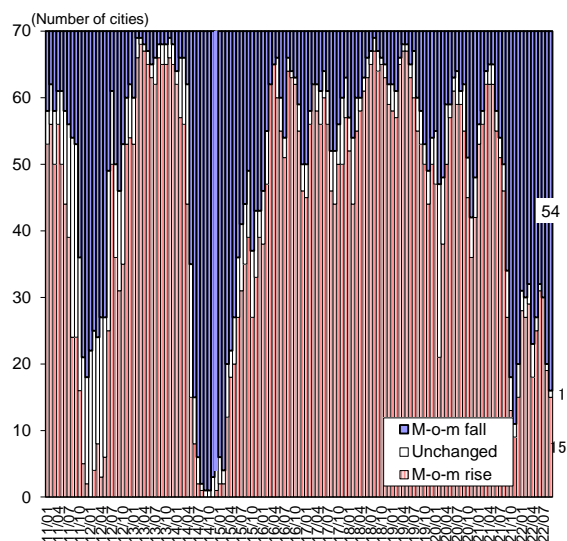


Fig. 12: Number of cities recording m-o-m changes in sales prices of residential buildings



Note: First-tier cities: Beijing, Shanghai, Guangzhou and Shenzhen

Second-tier cities: Capitals other than first-tier cities (municipality), capitals of autonomous regions, Dalian, Qingdao, Ningbo, and Xiamen

Third-tier cities: Cities other than first-tier and second-tier cities (35 of the 70 cities surveyed)

Source: CEIC

Source: NBS, CEIC

▪ Exports slowed and imports accelerated slightly

Exports were up +5.7% in September (\$322.76 billion), while imports rose by +0.3% (\$238.01 billion), with exports slowing and imports accelerating slightly (Fig. 13). The trade surplus stood at \$84.74 billion, with the total trade amount up +9.5%. In January–September, exports increased by +12.5% (\$2,698.59 billion) and imports by +4.1% (\$2,053.44 billion), with the trade surplus hitting \$645.15 billion and the total trade amount up +8.7%. Exports slowed to all regions apart from Asia, while imports from the US and Asia accelerated and imports from Europe and Japan slowed (Figs. 15 and 16).

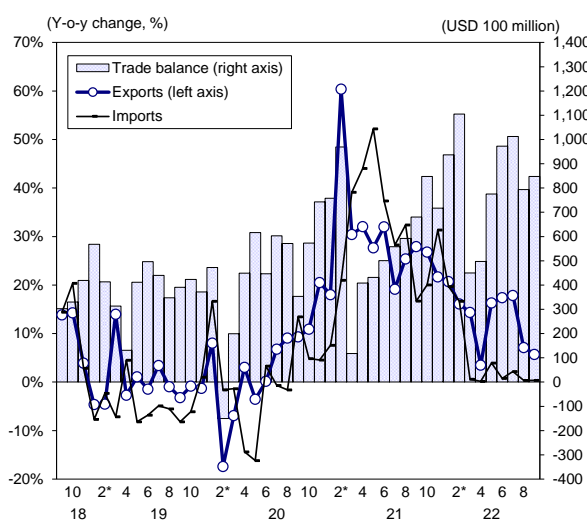
A glance at trade trends by item over January–September reveals that exports of machinery and electronic products grew by +10.0% to account for 56.8% of the total export amount, with automatic data processing equipment and their parts and components up +1.9%, mobile phones by +7.8%, and automobiles by +67.1%. Exports of labor-intensive products grew by +12.7% to account for 18.0% of the total export amount, with apparel up +11.1%, textiles by +9.7%, and plastic products by +14.5%. Steel exports hit 51.209 million tons (-3.4%), refined oil exports 35.451 million tons (-27.6%) and fertilized exports by 17.265 million tons (-33.8%). The price and volume of steel imports fell. Crude oil, coal, natural gas and soya bean imports fell by volume, though they rose in terms of price¹⁴.

¹⁴ Economic Information Daily, October 24, 2022, “海关总署：前三季度我国进出口总值 31.11 万亿元 增长 9.9% (General Administration of Customs: Chinese exports hit RMB 31.11 trillion (+9.9%) over January–September, with the change due to the RMB’s exchange rate.)” http://www.ce.cn/xwzx/gnsz/gdxw/202210/24/t20221024_38189711.shtml

▪ CPI growth accelerated while PPI growth slowed

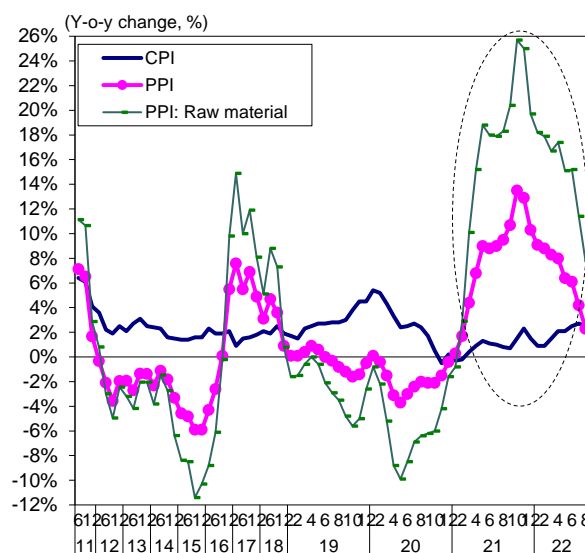
In September, CPI (Consumer Price Index) growth stood at +2.8%, up on August’s figure of +2.5%, with inflation hitting its highest level in two years and five months (since the +3.3% figure recorded in April 2020). Average growth for January–September stood at +2.0%, below the +3.0% target set by the National People’s Congress for 2022. At +0.3%, the m-o-m data returned to positive territories in September (August: -0.1%) (Fig. 14). The breakdown shows food prices rising at a faster pace at +8.8% (August: +6.1%). Pork prices¹⁵ rose by +36.0% (August: +22.4%) as “more pig farmers held off from selling on anticipation for higher prices as demand recovers for seasonal reasons” (NBS¹⁶), with vegetable price growth also up from +6.0% in August to +12.1% on “increased consumption during the holiday season.”

Fig. 13: Imports/exports; trade balance



Note: *The figures show a same-period previous-year comparison results of January–February and total.
Source: China Customs Statistics

Fig. 14: CPI, PPI



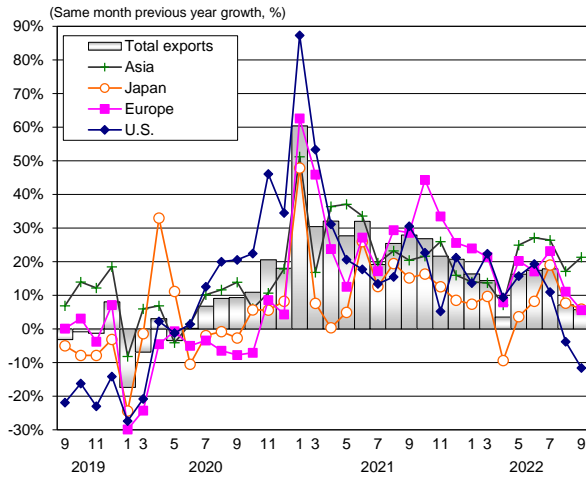
Note: The data from June 2011 to 2018 only shows the quarterly (March, June, September and December) figures.
Source: NBS, CEIC

¹⁵ In terms of the pork cycle (a cycle whereby farmers respond to lower pork prices by raising fewer pigs→supply falls and prices rise→farmers increase output→supply increases and prices stabilize→farmers raise fewer pigs), pork prices declined after a peak in May 2016, though it bounced back after bottoming out in June 2017. The prices fell further again from March 2018, though the pace of this contraction slowed from May 2018 and prices grew again from December 2018, with the trend shifting slightly during the ongoing phase of price declines. During this time, pork production recorded two consecutive years of negative growth in 2015 and 2016. It then picked up by +0.5% in 2017 to hit 54.52 million tons. It dropped back by -0.9% in 2018 to hit 54.04 million tons before falling sharply by -21.3% in 2019 to hit 42.55 million tons. This represented the first double-digit decline since 1996 (-13.4%). 41.13 million tons in 2020 (-3.3%) and 52.96 million tons in 2021 (+28.8%).

¹⁶ NBS, October 14, 2022, “国家统计局城市司首席统计师董莉娟解读 2022 年 9 月份 CPI 和 PPI 数据 (NBS Senior Statistician, Dong Lijuan Deciphers the September 2022 CPI and PPI Data)”

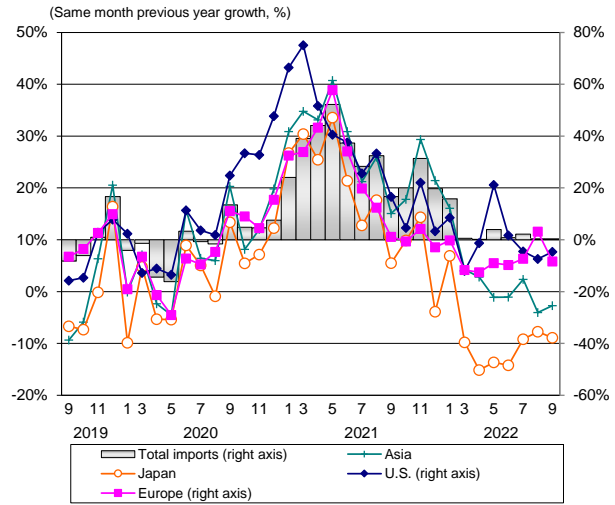
http://www.stats.gov.cn/tjsj/sjjd/202210/t20221014_1889253.html

Fig. 15: Exports by major region



Note: The figure for January shows a same-period previous-year comparison of the cumulative results for January–February.
Source: China Customs Statistics, CEIC

Fig. 16: Imports by major region



Note: The figure for January shows a same-period previous-year comparison of the cumulative results for January–February.
Source: China Customs Statistics, CEIC

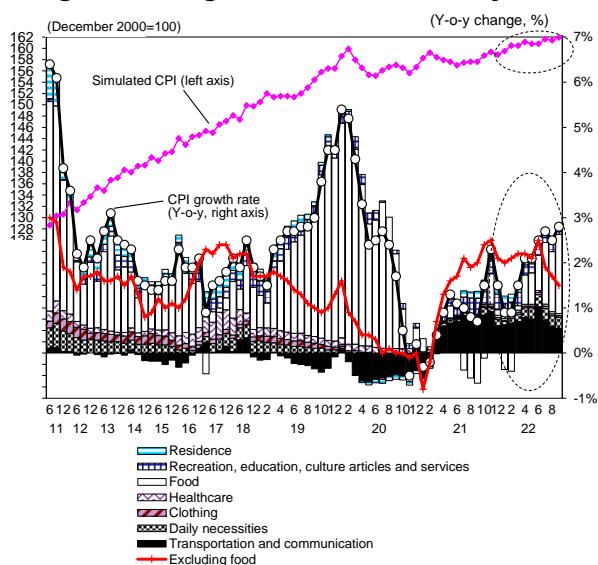
Nonfood price growth slowed from +1.7% in August to +1.5% in September as “the price of airfares and lodging fell as international oil prices fell and less people travelled due to the pandemic (NBS). Core inflation (excluding food and energy) also slowed¹⁷ from +0.8% in August to +0.6% (Figs. 17 and 18).

At +0.9%, Producer Price Index (PPI) growth slowed in September (August: +2.3%), with growth undergoing a m-o-m slide for eleven straight months after peaking out at +13.5% in October 2021 (Fig. 14). The breakdown shows producer goods inflation slowing from +2.4% in August to +0.6% in September, with mining prices slowing from +10.1% to +3.5%, raw materials prices from +7.8% to +5.8%, and prices in the processing sector falling further into negative territories, from -0.7% in August to -1.9%. Consumer goods inflation accelerated slightly from +1.6% to +1.8%. The NBS explained¹⁸ that “crude oil and other international commodity prices continued to fall...domestic demand recovered in some sectors...the price of industrial products fell overall, though at a gentle pace.”

¹⁷ NBS, October 14, 2022, “Consumer Prices for September 2022”
http://www.stats.gov.cn/english/PressRelease/202210/t20221016_1889302.html

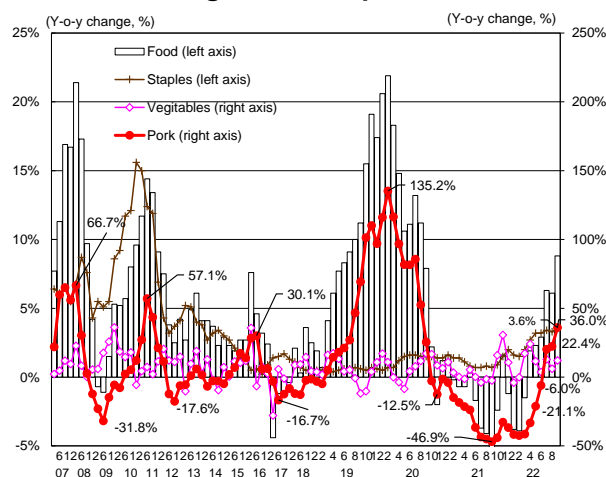
¹⁸ Same as footnote 16

Fig. 17: CPI; growth contribution by item



Note: The contribution by item is calculated by Mizuho Bank (China) based on the y-o-y growth rate and consumption expenditure statistics for each item. The simulated CPI data is calculated by the author based on the m-o-m growth rate for each month, with December 2000 as the base month. The data from June 2011 to 2018 only shows the quarterly (March, June, September and December) figures.
Source: NBS, CEIC

Fig. 18: Food prices



Note: The data until 2018 only shows the quarterly (March, June, September and December) figures.
Source: NBS, CEIC

▪ **New bank loans increased and total social financing expanded**

According to the PBC, M2 money supply growth hit +12.1% in September, down slightly on August’s figure of +12.2%. New bank loans increased by a net RMB 2,470.0 billion, up on August’s figure of RMB 1,250.0 billion (Fig. 19). Total social financing, which includes funds procured from non-bank sources, rose to a net RMB 3,527.1 billion in September, up on August’s figure of RMB 2,460.8 billion. RMB loans, government bonds, deposit-taking financial institution ABS and loan repayments grew at a faster pace; entrusted loans, banker’s acceptances, corporate bonds and non-financial-institution equity issuances grew at a slower pace; foreign currency loans and trust loans contracted (Fig. 20).

Foreign exchange reserves stood at \$3,029.0 billion at the end of September, down \$25.93 billion on August (£3,548.8 billion), with reserves down \$221.22 billion compared to the end of 2021 (Fig. 21). SAFE Press Spokesperson Wang Chunying explained¹⁹ that “in the international financial market, influenced by factors like monetary and fiscal policies as well as macroeconomic data of major countries, the US dollar index rose further and global financial asset prices fell sharply. China’s foreign exchange reserves declined slightly this month due to the combined effects of currency translation and asset price changes.”

¹⁹ State Administration of Foreign Exchange, October 7, 2022, “国家外汇管理局副局长、新闻发言人王春英就 2022 年 9 月份外汇储备规模变动情况答记者问 (SAFE Deputy Administrator and Press Spokesperson Wang Chunying Answers Media Questions on Changes in Foreign Exchange Reserves for September 2022)”

<http://www.safe.gov.cn/safe/2022/1007/21506.html>

Fig. 19: Financial institution lending; the money supply

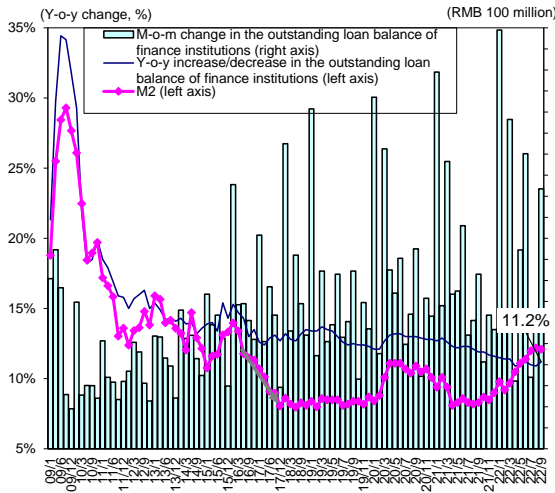
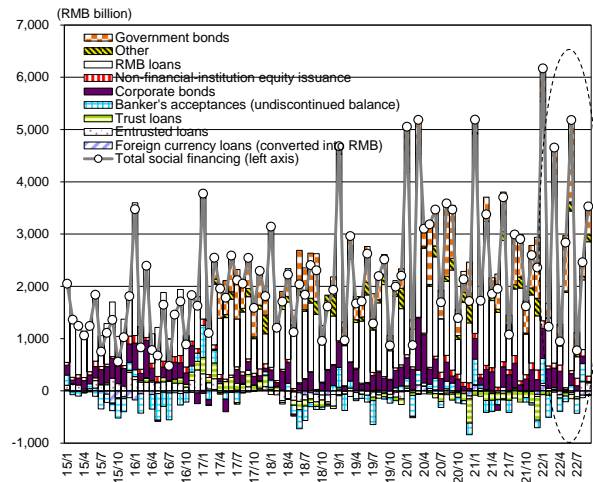


Fig. 20: Total social financing (net increase and decrease)

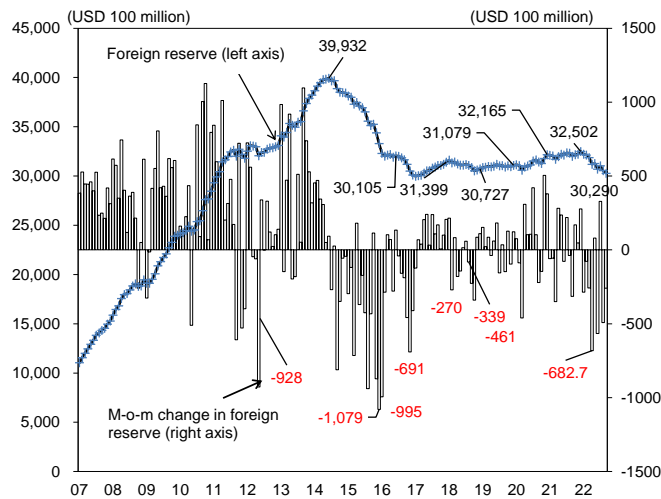


Note: The graph shows January and end-of-quarter figures up until 2018. The figure in the graph shows the y-o-y change in the outstanding loan balance for the most recent month.

Source: PBC, CEIC

Source: PBC, CEIC

Fig. 21: Foreign exchange reserves



Note: The foreign reserve data shows the June 2014 at peak, 2016 to end of 2021, and the latest monthly figure.

Source: PBC, CEIC

Fig. 22: Economic development and goals at the National Congress

<p>19th National Congress (2017)</p>	<ul style="list-style-type: none"> ✓ Finish the building of a moderately prosperous society in all respects in 2020 and then ensure that socialist modernization is basically realized, so that by 2035: <ul style="list-style-type: none"> • China's economic and technological strength has increased significantly. China has become a global leader in innovation. • The rights of the people to participate and to develop as equals are adequately protected. The rule of law for the country, the government, and society is basically in place. Institutions in all fields are further improved; the modernization of China's system and capacity for governance is basically achieved. • Social etiquette and civility are significantly enhanced. China's cultural soft power has grown much stronger; Chinese culture has greater appeal. • People are leading more comfortable lives, and the size of the middle-income group has grown considerably. Disparities in urban-rural development, in development between regions, and in living standards are significantly reduced; equitable access to basic public services is basically ensured; and solid progress has been made toward prosperity for everyone. • A modern social governance system has basically taken shape, and society is full of vitality, harmonious, and orderly. • There is a fundamental improvement in the environment; the goal of building a Beautiful China is basically attained. ✓ Work hard in the 15 years from 2035 to develop China into a great modern socialist country that is prosperous, strong, democratic, culturally-advanced, harmonious and beautiful. Turn China into a global leader in terms of composite national strength and international influence; basically achieve common prosperity for everyone.
<p>20th National Congress (2022)</p>	<ul style="list-style-type: none"> ✓ Basically realize socialist modernization from 2020 through 2035 <ol style="list-style-type: none"> (1) Significantly increase economic strength, scientific and technological capabilities, and composite national strength; substantially grow the per capita GDP to be on par with that of a mid-level developed country (2) Join the ranks of the world's most innovative countries, with great self-reliance and strength in science and technology (3) Build a modernized economy; form a new pattern of development; basically achieve new industrialization, informatization, urbanization, and agricultural modernization (4) Basically modernize the system and capacity for governance; improve the system for whole-process people's democracy; build a law-based country, government, and society (5) Become a leading country in education, science and technology, talent, culture, sports, and health; significantly enhance national soft power (6) Ensure that the people are leading better and happier lives; bring per capita disposable income to new heights; substantially grow the middle-income group as a share of the total population; guarantee equitable access to basic public services; ensure modern standards of living in rural areas; achieve long-term social stability; make more notable and substantive progress in promoting the people's well-rounded development and prosperity for all (7) Broadly establish eco-friendly ways of work and life; steadily lower carbon emissions after reaching a peak; fundamentally improve the environment; largely accomplish the goal of building a Beautiful China (8) Comprehensively strengthen the national security system and national security capabilities; achieve basic modernization of national defense and the armed forces ✓ Build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful from 2035 through the middle of this century

Source: October 18, 2017, Xi Jinping's Report to the 19th National Congress of the Communist Party of China, and October 16, 2022, Xi Jinping's Report to the 20th National Congress of the Communist Party of China

2. Topics: China's economic policy measures as revealed at the National Congress

▪ There is a growing sense of brewing crises, with the authorities emphasizing the need to ensure "security"

The 20th National Congress of the Communist Party of China (the 20th National Congress) was held over October 16–22. The 20th Central Committee of the Communist Party of China also met on October 23 (the Central

Committee meeting). These events signaled the launch of the new structure for general secretary Xi Jinping's third term. According to the Chinese constitution, the State Council and the National People's Congress (equivalent to the cabinet and parliament) both operate under the leadership of the Communist Party, so the personnel and policy decisions made at the 5-yearly National Congress are crucial for gauging the direction of politics and the economy going forward.

Xi's Report²⁰ at the opening ceremony of the 20th National Congress contained two new chapters that were absent from his Report at the 17th National Congress²¹, namely "Exercising Law-Based Governance on All Fronts and Advancing the Rule of Law in China" (Chapter 7) and "Modernizing China's National Security System and Capacity" (Chapter 11). Chapter 11 (2) in particular emphasizes the importance of ensuring security across a wide range of sectors. More specifically, this section states that "We will resolutely safeguard the security of China's state power, systems, and ideology and build up security capacity in key areas. We will ensure the security of food, energy, and resources as well as key industrial and supply chains. We will strengthen our capacity to ensure overseas security and protect the lawful rights and interests of Chinese citizens and legal entities overseas. We will safeguard China's maritime rights and interests and resolutely defend our country's sovereignty, security, and development interests." The same chapter also says "We will enhance our capacity to prevent and mitigate major risks and will remain on high alert against systemic security risks. We will crack down hard on infiltration, sabotage, subversion, and separatist activities by hostile forces." Furthermore, Chapter 5 talks about cultivating human resources to develop China as a country of science and technology²², for example, and it mentions how human resources can serve as a new driver of growth while giving China a competitive edge (Fig. 23).

The Report reveals a strong sense of brewing crises. As Fig. 24 shows, the Report suggests China's leadership is more concerned about changes to the domestic and international situation than at the time of the 2017 Report at the 19th National Congress. In particular, the recent Report notes that shifts in international power relations provide China with new strategic opportunities. However, it also mentions that the backlash against globalization is rising and unilateralism and protectionism are also mounting, with uncertainties and unforeseen factors increasing. As such, the Report says China needs to prepare for severe challenges.

²⁰ People's Daily, October 26, 2022, Xi Jinping's Report to the 20th National Congress of the Communist Party of China, "高举中国特色社会主义伟大旗帜 为全面建设社会主义现代化国家而团结奋斗 (Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects)"

http://paper.people.com.cn/rmrb/html/2022-10/26/nw.D110000renmrb_20221026_1-02.htm

²¹ State Council website, October 27, 2017, Xi Jinping's Report to the 19th National Congress of the Communist Party of China "决胜全面建成小康社会 夺取新时代中国特色社会主义伟大胜利 —— 在中国共产党第十九次全国代表大会上的报告 (Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era.)"

http://www.gov.cn/zhuanti/2017-10/27/content_5234876.htm

The Report to the 19th National Congress in 2017 mentioned how "China's economy has been transitioning from a phase of rapid growth to a stage of high-quality development."

²² According to a list of key regional leaders released on October 28, Chen Jinin (the Secretary of the CPC Shanghai Committee) is a Doctor of Engineering with experience of studying in the UK, while Yin Yong (Deputy mayor and acting mayor of Beijing) has experience of working in Singapore. They both graduated from Tsinghua University.

People's Daily, October 29, 2022 "上海市委广东省委主要负责同志职务调整"; "殷勇任北京市副市长、代理市长"

http://paper.people.com.cn/rmrb/html/2022-10/29/nw.D110000renmrb_20221029_7-01.htm

http://paper.people.com.cn/rmrb/html/2022-10/29/nw.D110000renmrb_20221029_8-03.htm

**Fig. 23: The composition of Xi Jinping’s Reports to the National Congress
(20th National Congress (2022) and 19th National Congress (2017))**

20th National Congress		19th National Congress		
20th National Congress (2022)	1	The Work of the Past Five Years and the Great Changes in the First Decade of the New Era	1	The Past Five Years: Our Work and Historic Change
	2	A New Frontier in Adapting Marxism to the Chinese Context and the Needs of the Times	2	The New Era: The Historic Mission of the Communist Party of China
	3	The New Journey of the New Era: Missions and Tasks of the Communist Party of China	3	The Thought on Socialism with Chinese Characteristics for a New Era and the Basic Policy
	4	Accelerating the Creation of a New Development Pattern and Pursuing High-Quality Development	4	Securing a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Embarking on a Journey to Fully Build a Modern Socialist China
	5	Invigorating China through Science and Education and Developing a Strong Workforce for the Modernization Drive	5	Applying a New Vision of Development and Developing a Modernized Economy
	6	Advancing Whole-Process People’s Democracy and Ensuring that the People Run the Country	6	Improving the System of Institutions through Which the People Run the Country and Developing Socialist Democracy
	7	Exercising Law-Based Governance on All Fronts and Advancing the Rule of Law in China		
	8	Building Cultural Confidence and Strength and Securing New Successes in Developing Socialist Culture	7	Building Stronger Cultural Confidence and Helping Socialist Culture to Flourish
	9	Improving the People’s Wellbeing and Raising Quality of Life	8	Growing Better at Ensuring and Improving People’s Wellbeing and Strengthening and Developing New Approaches to Social Governance
	10	Pursuing Green Development and Promoting Harmony between Humanity and Nature	9	Speeding up Reform of the System for Developing an Ecological Civilization, and Building a Beautiful China
	11	Modernizing China’s National Security System and Capacity and Safeguarding National Security and Social Stability		
	12	Achieving the Centenary Goal of the People’s Liberation Army and Further Modernizing National Defense and the Military	10	Staying Committed to the Chinese Path of Building Strong Armed Forces and Fully Advancing the Modernization of National Defense and the Military
	13	Upholding and Improving the Policy of One Country, Two Systems and Promoting National Reunification	11	Upholding “One Country, Two Systems” and Moving toward National Reunification
	14	Promoting World Peace and Development and Building a Human Community with a Shared Future	12	Following a Path of Peaceful Development and Working to Build a Community with a Shared Future for Mankind
	15	Exercising Full and Rigorous Self-Governance and Advancing the Great New Project of Party Building in the New Era	13	Exercising Strict Governance over the Party and Improving the Party’s Ability to Govern and Lead

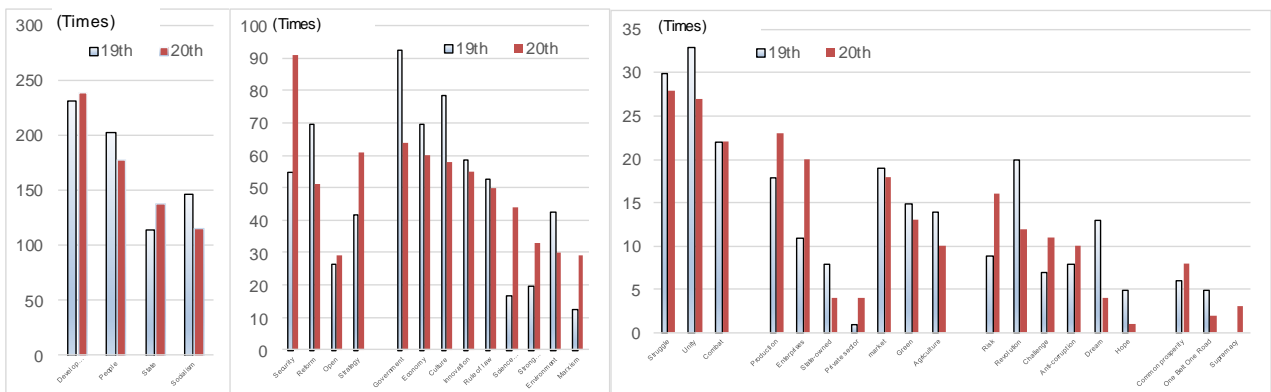
Source: Xi Jinping’s Reports to the 19th and 20th National Congress of the Communist Party of China

Fig. 24: Current thinking as revealed in Xi Jinping’s Reports to the National Congress (20th National Congress (2022) and 19th National Congress (2017))

20th National Congress (Chapter 3)	19th National Congress (Introduction, Chapters 3 and 12)
<ul style="list-style-type: none"> At present, momentous changes of a like not seen in a century are accelerating across the world. A new round of scientific and technological revolution and industrial transformation is well under way, and <u>a significant shift is taking place in the international balance of power, presenting China with new strategic opportunities in pursuing development.</u> 	<ul style="list-style-type: none"> Both China and the world are in the midst of profound and complex changes. China is still in an important period of strategic opportunity for development; the prospects are bright but the challenges are severe (introduction) The world is undergoing major developments, transformation, and adjustment, but <u>peace and development</u> remain the call of our day (Chapter 12)
<ul style="list-style-type: none"> At the same time, however, the once-in-a-century pandemic has had far-reaching effects; <u>a backlash against globalization</u> is rising; and <u>unilateralism and protectionism</u> are mounting. The global economic recovery is sluggish, regional <u>conflicts and disturbances are frequent</u>, and global issues are becoming more acute. The world has entered a new period of turbulence and change. 	<ul style="list-style-type: none"> The trends of global multi-polarity, economic globalization, IT application, and cultural diversity are surging forward; changes in the global governance system and the international order are speeding up; <u>countries are becoming increasingly interconnected and interdependent</u>; <u>relative international forces are becoming more balanced</u>; and peace and development remain irreversible trends (Chapter 12)
<ul style="list-style-type: none"> At home, we face many deep-seated problems regarding reform, development, and stability that cannot be avoided or bypassed. In our efforts to strengthen the Party, and especially to improve conduct, build integrity, and combat corruption, we are confronted with many stubborn and recurrent problems. <u>External attempts to suppress and contain China</u> may escalate at any time. Our country has entered <u>a period of development in which strategic opportunities, risks, and challenges are concurrent and uncertainties and unforeseen factors are rising</u>. Various “black swan” and “gray rhino” events may occur at any time. 	<ul style="list-style-type: none"> And yet, as a world we face growing uncertainties and destabilizing factors. Global economic growth lacks energy; the gap between rich and poor continues to widen; hotspot issues arise often in some regions; and unconventional security threats like terrorism, cyber-insecurity, major infectious diseases, and climate change continue to spread. As human beings we have many common challenges to face (Chapter 12)
<ul style="list-style-type: none"> We must therefore be more mindful of potential dangers, be prepared to deal with worst-case scenarios, and <u>be ready to withstand high winds, choppy waters, and even dangerous storms</u> 	<ul style="list-style-type: none"> We should ensure both development and security and be ever ready to protect against potential dangers in time of peace. This is a major principle underlying the Party’s governance (Chapter 3, 10)

Source: October 16, 2022, Xi Jinping’s Report to the 20th National Congress of the Communist Party of China and October 18, 2017, Xi Jinping’s Report to the 19th National Congress of the Communist Party of China

Fig. 25: No. of times certain keywords are mentioned in Xi Jinping’s Report



Source: Xi Jinping’s Reports to the 19th and 20th National Congress of the Communist Party of China

A comparison of the mentions of certain keywords in the reports to the 19th and 20th National Congresses shows the usage of the word “security” soaring from 55 times to 91 times, with the thinking and focus of the Chinese authorities also revealed by the increasing use of words like “science and technology” (from 17 times to 41 times), “strong country” (20 times→33 times) and “risk” (9 times→16 times).

Regarding the economy, there was an increase in the usage of “enterprises” (11 times→20 times) and “industry” (18 times→23 times); not much change when it came to “market” (19 times→18 times); and a fall in the usage of “state-owned” (8 times→4 times). With the usage of “private sector” rising from 1 to 4 times, “state-owned” and “private sector” both received four mentions (Fig. 25).

• The recent Xi Jinping Report reiterates the economic development goals for 2035 and 2050 , as set out at the 19th National Congress in 2017

The recent Xi Jinping Report reiterates the economic development goals for 2035 and 2050²³, as set out at the 19th National Congress in 2017 (Fig. 22). This was not the first time no numerical targets were mentioned, with numerical targets absent since the 19th National Congress. With the era of breakneck growth over, China will find it difficult to quadruple GDP in 20 years or double it in ten years like it had in the past, with “high-quality development” already a keyword at the 19th National Congress.

In a press conference on October 24, after the National Congress, Mu Hong, Deputy Secretary of the CPC Leadership Group of NDRC and Vice Chairman, talked about “strategic preparations to promote high-quality development.” He said the authorities would carry out the new development vision and pursue high-quality development. He also discussed deep reforms related to the overarching construction of a modernized society and he said the authorities would no longer be eulogizing GDP growth alone (and would not be assessing development based solely on increasing GDP). He also stated that innovation was the primary driver of growth, with domestic production characterized by coordination. He also described green technology as a ubiquitous component of development and he said opening-up would be essential on the path forward as China strove to realize high-quality development based around the overarching goal of shared happiness and prosperity²⁴.

Fig. 26 outlines several points related to the economy, welfare and the environment, etc. from Chapters 4, 5, 9 and 10 from Xi Jinping’s Report. These basically follow the policy measures outlined in the Five-year Plan.

Specific policies based on these measures will be outlined when the Central Economic Working Conference meets mid-December to set economic policy in 2023 or when the National People’s Congress (China’s parliament) meets in March next year, for example.

Finally, Fig. 27 compares the recent announcement of the members of the Standing Committee of the Central Politburo of the Communist Party of China and members of the Central Politburo with the announcement at the time of the previous National Congress. A glance at career trajectories and party rankings suggests Standing Committee of the Central Politburo member Li Qiang and Central Politburo member He Lifeng will have considerable influence

²³ Refer to the figure 19 on page 12 on the “Mizuho China Business Express Economic Journal (No. 72)”, dated on October 27, 2017, by this author https://www.mizuhogroup.com/binaries/content/assets/pdf/mizuho-bank/insights/cndb/economics/express_economy/r422-0072-xf-0105.pdf

²⁴ People’s Daily, October 24, 2022 “中共中央举行新闻发布会介绍解读党的二十大报告 (Introducing the Report to the 20th National Congress at the Central Committee of the Chinese Communist Party Press Conference)” <http://cpc.people.com.cn/20th/GB/448350/448434/index.html>

when it comes to setting economic policy in future.

Fig. 26: Points from Xi Jinping’s Report (related to the economy, welfare and the environment)

4 Accelerating the Creation of a New Development Pattern and Pursuing High-Quality Development

1	Building a high-standard socialist market economy	<ul style="list-style-type: none"> • We must unwaveringly consolidate and develop the public sector and unwaveringly encourage, support, and guide the development of the non-public sector. We will work to see that the market plays the decisive role in resource allocation and that the government better plays its role. • <u>We will work to see state-owned capital and enterprises get stronger, do better, and grow bigger; and enhance the core competitiveness of SOEs.</u> • <u>We will provide an enabling environment for private enterprises, protect their property rights and the rights and interests of entrepreneurs in accordance with the law, and facilitate the growth of the private sector.</u> • We will help Chinese companies become world-class outfits. • We will support the development of micro, small, and medium enterprises. • We will intensify reforms to streamline government administration, delegate power, improve regulation, and upgrade services. • We will build a unified national market, advance reforms for the market-based allocation of production factors, and put in place a high-standard market system. • We will refine the systems underpinning the market economy, such as those for property rights protection, market access, fair competition, and social credit, in order to improve the business environment. • We will improve the system of macroeconomic governance, give full play to the strategic guidance of national development plans...and work to expand domestic demand. • We will improve the system of transfer payments. • We will deepen structural reform in the financial sector...and ensure no systemic risks arise. • We will increase the proportion of direct financing. • <u>We will take stronger action against monopolies and unfair competition, break local protectionism and administrative monopolies, and conduct law-based regulation and guidance to promote the healthy development of capital.</u>
2	Modernizing the industrial system	<ul style="list-style-type: none"> • In pursuing economic growth, we must continue to focus on the <u>real economy</u>. We will advance new industrialization and move faster to boost <u>China’s strength in manufacturing, product quality, aerospace, transportation, cyberspace, and digital development.</u> • We will carry out industrial foundation reengineering projects and research projects on major technologies and equipment; support enterprises that use special and sophisticated technologies to produce novel and unique products; and move the manufacturing sector toward higher-end, smarter, and greener production. • We will consolidate our leading position in industries where we excel, work faster to shore up weaknesses in sectors vital to China’s development security, and improve our capacity for securing the supply of strategic resources. • <u>We will promote the integrated and clustered development of strategic emerging industries and cultivate new growth engines such as next-generation information technology, artificial intelligence, biotechnology, new energy, new materials, high-end equipment, and green industry.</u> • We will promote further integration of modern services with advanced manufacturing and modern agriculture. • We will accelerate development of the Internet of Things and build an efficient and smooth logistics system to help cut distribution costs. • We will accelerate the development of the digital economy, further integrate it with the real economy, and build internationally competitive digital industry clusters. • We will build a modern infrastructure system.
3	Advancing rural	<ul style="list-style-type: none"> • We will move faster to build up China’s <u>strength in agriculture</u> and steadily

	revitalization across the board	<p>promote the revitalization of businesses, talent, culture, ecosystems, and organizations in the countryside.</p> <ul style="list-style-type: none"> • We must reinforce the foundations for <u>food security</u> on all fronts. We will ensure that ...China's total area of farmland does not fall below the redline of 120 million hectares. We will invigorate the seed industry, support the development of agricultural science, technology, and equipment, and refine the mechanisms for ensuring the incomes of grain growers and for compensating major grain-producing areas. With these efforts, we will ensure that China's food supply remains firmly in its own hands. • We will consolidate and expand our achievements in poverty alleviation and help areas and people that have just shaken off poverty build their own momentum for growth. • We will consolidate and improve the basic rural operation system, develop new rural collective economies, cultivate new types of agribusiness and commercial agricultural services, and support appropriately scaled agricultural operations. • We will advance reform of the rural land system and grant farmers more adequate property rights and interests. • We will safeguard the lawful land rights and interests of rural residents who have moved to urban areas and obtained permanent residency, and we will encourage law-based, voluntary, and paid transfers of such rights and interests. • We will improve the systems for supporting and protecting agriculture and the rural financial services system.
4	Promoting coordinated regional development	<ul style="list-style-type: none"> • We will make further progress in the large-scale development of the western region, achieve new breakthroughs in the full revitalization of the Northeast, accelerate the rise of the central region, and encourage the eastern region to modernize more quickly. • We will promote coordinated development in the Beijing-Tianjin-Hebei region, the development of the Yangtze Economic Belt, the integrated development of the Yangtze River Delta, and ecological conservation and high-quality development in the Yellow River basin. • We will build the Xiongan New Area to a high standard. • We will drive forward the development of the Chengdu-Chongqing economic zone. • We will advance people-centered new urbanization and work faster to grant permanent urban residency to eligible people who move from rural to urban areas. • We will leverage the role of city clusters and metropolitan areas to promote coordinated development of large, medium, and small cities and push forward with urbanization that is centered on <u>county seats</u>. • We will move faster to change the development models of super-large and mega cities (with populations over five million) ...and build livable, resilient, and smart cities. • We will develop the marine economy, protect the marine ecological environment, and step up efforts to build China into a strong maritime country.
5	Promoting high-standard opening up	<ul style="list-style-type: none"> • We will steadily expand institutional opening up with regard to rules, regulations, management, and standards. • We will upgrade trade in goods, develop new mechanisms for trade in services, and promote digital trade, in order to accelerate China's transformation into a trader of quality. • We will make appropriate reductions to the negative list for foreign investment, protect the rights and interests of foreign investors in accordance with the law, and foster a world-class business environment that is market-oriented, law-based, and internationalized. • We will promote the high-quality development of the Belt and Road Initiative. • We will consolidate the leading position of eastern coastal areas in opening up, and more widely open the central, western, and northeastern regions. • We will accelerate the construction of the New International Land-Sea Trade Corridor in the western region.

		<ul style="list-style-type: none"> We will work faster to develop the <u>Hainan Free Trade Port</u>, upgrade pilot free trade zones, and expand the globally-oriented network of high-standard free trade areas. We will promote the internationalization of the RMB. We will deeply involve ourselves in the global industrial division of labor and cooperation, and endeavor to preserve the diversity and stability of the international economic landscape and economic and trade relations.
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5 Invigorating China through Science and Education and Developing a Strong Workforce for the Modernization Drive

1	Developing education that meets the people's expectations	<ul style="list-style-type: none"> We will promote fairness in education. We will accelerate high-quality, balanced development and urban-rural integration in compulsory education. We will ensure the diversified development of senior secondary schools, and improve the financial aid system so it covers students at all stages of schooling. We will promote collaborative innovation in vocational education, higher education, and continuing education. We will speed up the development of world-class universities and strong disciplines with Chinese features. We will better guide and regulate the development of private schools. We will advance comprehensive reform in education. We will strengthen the professional integrity of our teachers. We will promote the digitalization of education and build a society and country of learning where lifelong learning is pursued by all.
2	Improving systems for scientific and technological innovation	<ul style="list-style-type: none"> We will improve the system in which the Party Central Committee exercises unified leadership over science and technology work. We will boost China's strength in strategic science and technology. We will better allocate innovation resources, and better define the roles of national research institutes, advanced-level research universities, and leading high-tech enterprises to improve their layout. We will establish a system of national laboratories, coordinate the development of international and regional centers for scientific and technological innovation, and enhance basic research and development capacity. We will deepen structural scientific and technological reform and reform of the system for appraisal of scientific and technological advances. We will increase investment in science and technology through diverse channels and strengthen legal protection of intellectual property rights, in order to establish a foundational system for all-around innovation. We will nurture a culture of innovation, encourage dedication to science, cultivate fine academic conduct, and foster an enabling environment for innovation. We will expand science and technology exchanges and cooperation with other countries, cultivate an internationalized environment for research, and create an open and globally-competitive innovation ecosystem.
3	Accelerating the implementation of the innovation-driven development strategy	<ul style="list-style-type: none"> To meet China's strategic needs, we will concentrate resources on original and pioneering scientific and technological research to <u>achieve breakthroughs in core technologies in key fields</u>. In order to enhance <u>China's innovation capacity</u>, we will move faster to launch a number of major national projects that are of strategic, big-picture, and long-term importance. We will strengthen basic research, prioritize original innovation, and encourage researchers to engage in free exploration. We will advance reform of the mechanisms for the allocation and use of government research funds. We will promote closer enterprise-led collaboration between industries, universities, and research institutes...and promote the industrial application of scientific and technological advances. We will create an enabling environment for the growth of micro, small, and medium technological enterprises.
4	Implementing the workforce	<ul style="list-style-type: none"> We will improve the strategic distribution of human resources and make concerted efforts to cultivate talented people in all fields, so as to create a large,

	development strategy	<p>well-structured, and high-quality workforce.</p> <ul style="list-style-type: none"> • We will move faster to build world hubs for talent and innovation...and strive to build up our comparative strengths in global competition for talent. • We will speed up efforts to build a contingent of personnel with expertise of strategic importance and cultivate greater numbers of master scholars, science strategists, first-class scientists and innovation teams, young scientists, outstanding engineers, master craftsmen, and highly-skilled workers. • We will increase international personnel exchanges. • We will further reform the systems and mechanisms for talent development.
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9 Improving the People's Wellbeing and Raising Quality of Life

1	Improving the system of income distribution	<ul style="list-style-type: none"> • We will keep distribution according to work as the mainstay with multiple forms of distribution existing alongside it, and we will build an institutional framework under which primary, secondary, and tertiary distribution are well coordinated and mutually complementary. • We will work to raise the share of personal income in the distribution of national income and give more weight to work remuneration in primary distribution. • We will ensure more pay for more work and encourage people to achieve prosperity through hard work. We will promote equality of opportunity, increase the incomes of low-income earners, and expand the size of the middle-income group. • We will increase the property income of urban and rural residents through more channels. • We will enhance the roles of taxation, social security, and transfer payments in regulating income distribution. • We will improve the personal income tax system and keep income distribution and the means of accumulating wealth well-regulated. We will protect lawful income, adjust excessive income, and prohibit illicit income. • We will provide guidance and support for enterprises, social organizations, and individuals who have the desire and ability to actively participate in charitable and public-interest initiatives.
2	Implementing the employment-first strategy	<ul style="list-style-type: none"> • We will refine the system of providing employment support for key groups and do more to help those in difficulty find employment and meet their basic needs. • We will improve the system of lifelong vocational training and tackle structural unemployment. • We will improve the system for creating jobs by encouraging business startups and support and regulate the development of new forms of employment. • We will improve labor laws and regulations, the mechanisms for labor relation consultations and mediation, and the systems for safeguarding workers' rights and interests. • We will do more to protect the rights and interests of those in flexible employment and new forms of employment.
3	Improving the social security system	<ul style="list-style-type: none"> • We will further improve the multi-tiered social security system that covers the entire population in urban and rural areas and see that it is fair, unified, reliable, well-regulated, and sustainable. • We will improve the unified national management system for basic old-age insurance funds and develop a multi-tiered and multi-pillar old-age insurance system. • The statutory retirement age will be gradually raised. • We will expand the coverage of social insurance programs, and improve the mechanisms for financing and adjusting benefits for basic old-age insurance and basic medical insurance, and work toward provincial-level unified management of funds for basic medical insurance, unemployment insurance, and workers' compensation. • We will improve major disease insurance and medical assistance schemes, and see that medical expenses are settled where they are incurred. We will institute an insurance system to support long-term care and vigorously develop commercial medical insurance. • We will move faster to improve the nationally unified public platform for social

		<p>insurance services.</p> <ul style="list-style-type: none"> Improvements will be made to the system whereby social security funds are kept safe through supervision and their value is maintained and increased over time. We will remain committed to the fundamental national policy of gender equality and protect the lawful rights and interests of women and children. For people with disabilities, we will improve the social security and service systems and promote all-around development of related programs. Adhering to the principle that housing is for living in and not for speculation, we will move faster to build a housing system featuring multiple suppliers and various channels of support that encourages both housing rentals and purchases.
4	Advancing the Healthy China Initiative	<ul style="list-style-type: none"> We will improve the population development strategy, establish a policy system to boost birth rates, and bring down the costs of pregnancy and childbirth, child rearing, and schooling. We will pursue a proactive national strategy in response to population aging, develop elderly care programs and services, and provide better services for elderly people who live alone. We will further reform the medical and healthcare systems and promote coordinated development and regulation of medical insurance, medical services, and pharmaceuticals. Giving priority to prevention, we will strengthen health management for major chronic diseases and enhance the capacity for disease prevention and treatment as well as health management at the community level. We will deepen reform of public hospitals to see that they truly serve the public interest and better regulate the development of private hospitals. We will build up the ranks of medical and healthcare personnel with an emphasis on rural areas and urban communities. We will place importance on mental and psychological health. We will promote the preservation and innovative development of traditional Chinese medicine. We will also improve the public health system, improve our early warning system for major epidemics, and strengthen the systems for epidemic prevention, control, and treatment as well as our emergency response capacity so as to effectively contain major infectious diseases.

10 Pursuing Green Development and Promoting Harmony between Humanity and Nature

1	Accelerating the transition to a model of green development	<ul style="list-style-type: none"> We must work faster to adjust and improve the industrial structure, the energy mix, and the composition of the transportation sector. We will implement a comprehensive conservation strategy, conserve resources of all types and use them efficiently, and move faster to put in place a system for recycling waste and used materials. Fiscal, taxation, financial, investment, and pricing policies and systems of standards will be improved to support green development. We will boost green and low-carbon industries and improve the system for market-based allocation of resources and environmental factors. We will accelerate the R&D, promotion, and application of advanced energy-saving and carbon emission reduction technologies, encourage green consumption, and promote green and low-carbon ways of production and life.
2	Intensifying pollution prevention and control	<ul style="list-style-type: none"> Pollutants will be controlled in a better-coordinated way, and we will basically eliminate serious air pollution. We will make concerted efforts to improve aquatic environments, water resources, and aquatic ecosystems, strengthen ecological conservation of major rivers, lakes, and reservoirs, and generally eliminate black, malodorous water bodies in cities. We will strengthen prevention and control of soil contamination at the source and control new pollutants. The environmental infrastructure will be upgraded and living environments in both urban and rural areas will be improved. The pollutant discharge permit system will be implemented across the board, and

		<p>more will be done to modernize the environmental governance system.</p> <ul style="list-style-type: none"> • We will rigorously prevent and control environmental risks. • We will strengthen central government environmental inspections.
3	Enhancing diversity, stability, and sustainability in our ecosystems	<ul style="list-style-type: none"> • Major projects for preserving and restoring key ecosystems will be carried out at a faster pace in priority areas, including key national ecosystem service zones, ecological conservation redlines, and nature reserves. • We will develop the national park-based nature reserve system. • We will carry out major biodiversity protection projects. • Large-scale greening programs will be rolled out in a well-planned way. • Reform of collective forest tenure will be deepened. • We will promote the natural regeneration of grasslands, forests, rivers, lakes, and wetlands, enforce the 10-year fishing ban on the Yangtze River, and improve the system of fallowing and crop rotation. • We will establish mechanisms to realize the market value of ecosystem goods and services and improve the compensation system for ecological conservation. • Biosafety and biosecurity management will be strengthened, and efforts will be made to prevent and treat harm caused by invasions of exotic species.
4	Working actively and prudently toward the goals of reaching peak carbon emissions and carbon neutrality	<ul style="list-style-type: none"> • Based on China's energy and resource endowment, we will advance initiatives to reach peak carbon emissions in a well-planned and phased way in line with the principle of building the new before discarding the old. • We will exercise better control over the amount and intensity of energy consumption, particularly of fossil fuels, and transition gradually toward controlling both the amount and intensity of carbon emissions. • We will promote clean, low-carbon, and high-efficiency energy use and push forward the clean and low-carbon transition in industry, construction, transportation, and other sectors. • We will promote low-carbon energy use. • We will thoroughly advance the energy revolution. Coal will be used in a cleaner and more efficient way, and greater efforts will be made to explore and develop petroleum and natural gas, discover more untapped reserves, and increase production. We will speed up the planning and development of a system for new energy sources, properly balance hydropower development and ecological conservation, and develop nuclear power in an active, safe, and orderly manner. We will strengthen our systems for energy production, supply, storage, and marketing to ensure energy security. • We will improve the statistics and accounting system and the cap-and-trade system for carbon emissions. • The carbon absorption capacity of ecosystems will be boosted. • We will get actively involved in global governance in response to climate change.

Note: * The construction of the Guangdong–Hong Kong–Macao Greater Bay Areas is mentioned in Chapter 13 (Upholding and Improving the Policy of One Country, Two Systems and Promoting National Reunification).

Source: Xi Jinping's Reports to the 20th National Congress of the Communist Party of China: "Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects"

Fig.27: Members of the Standing Committee of the Central Politburo of the Communist Party of China/Members of the Central Politburo

Standing Committee of the Central Politburo of the Communist Party of China

20th National Congress (Oct. 16-22, 2022)	Year of birth	Age (As of end of 2022)	State position (previous position)
Xi Jinping	1953	(69)	President (Secretary of the CPC Shanghai Committee)
○ Li Qiang	1959	(63)	(Secretary of the CPC Shanghai Committee, Secretary of the CPC Jiangsu Provincial Committee Province, Mayor of Zhejiang Province)
Zhao Leji	1957	(65)	(Secretary of the Central Commission for Discipline Inspection, Head of the Organization Department of the CCP, Secretary of the CPC Shaanxi Provincial Committee)
Wang Huning	1955	(67)	(Secretary of the Secretariat of the CPC Central Committee, Professor at Fudan University)
○ Cai Qi	1955	(67)	Secretary of the Secretariat of the CPC Central Committee, Secretary of the CPC Beijing Committee
○ Ding Xuexiang	1962	(60)	(Chairman of the Standing Committee of the National People's Congress, Secretary of the Committee of Political and Legal Affairs under the CPC Shanghai Municipal Committee)
○ Li Xi	1956	(66)	Secretary of the Central Commission for Discipline Inspection (Secretary of the CPC Guangdong Provincial and Liaoning Provincial Committees)

19th National Congress (Oct. 18-24, 2017)	Year of birth	Age (As of end of 2017)	State position (previous position)
Xi Jinping	1953	(64)	President (Secretary of the CPC Shanghai Committee)
Li Keqiang	1955	(62)	Premier of the State Council (Secretary of the CPC Liaoning Provincial Committee)
○ Li Zhanshu	1950	(67)	Chairman of the Standing Committee of the National People's Congress (Secretary of the CPC Guizhou Provincial Committee)
○ Wang Yang	1955	(62)	Consultative Conference (Secretary of the CPC Guangdong Provincial and Chongqing Committee)
○ Wang Huning	1955	(62)	Secretary of the Secretariat of the CPC Central Committee (Professor at Fudan University)
○ Zhao Leji	1957	(60)	Secretary of the Central Commission for Discipline Inspection (Director of the Organization Department of the CPC Central Committee, Secretary of the CPC Shaanxi Provincial Committee)
○ Han Zheng	1954	(63)	Vice Premier (Secretary of the CPC Shanghai Committee, Mayor of Shanghai)

Members of the Central Politburo

○ Ma Xingrui	1959	(63)	Secretary of the CPC Xinjiang Uyghur Autonomous Region Committee
○ Wang Yi	1953	(69)	State Councilor, Foreign Minister
○ Yin Li	1962	(60)	Secretary of the Jilin Provincial Committee of the CPC
○ Shi Taifeng	1956	(66)	Head of United Front Work Department, President of Chinese Academy of Social Sciences
○ Liu Guozhong	1962	(60)	Secretary of the CPC Shaanxi Provincial Committee
○ Li Ganjie	1964	(58)	Secretary of the CPC Shandong Provincial Committee
○ Li Shulei	1964	(58)	Head of the Publicity Department of the CPC, (Vice president of the Party School of the Central Committee of the CPC)
Li Hongzhong	1956	(66)	Secretary of the CPC Tianjin Municipal Committee (Secretary of the CPC Hubei Provincial Committee)
○ He Weidong	1957	(65)	Vice chairman of the CPC Central Military Commission
○ He Lifeng	1955	(67)	Chairman of the National Development and Reform Commission
Zhang Youxia	1950	(72)	Vice chairman of the CPC Central Military Commission
○ Zhang Guoqing	1964	(58)	Secretary of the CPC Liaoning Provincial Committee
○ Chen Wenqing	1960	(62)	Secretary of the Central Political and Legal Affairs Commission of the CPC (Minister of the State Security)
○ Chen Jining	1964	(58)	Secretary of the CPC Shanghai Committee (Mayor of Beijing)
Chen Miner	1960	(62)	Secretary of the CPC Chongqing Committee (Secretary of the CPC Guizhou Provincial Committee)
○ Yuan Jiajun	1962	(60)	Secretary of the CPC Zhejiang Provincial Committee Province
Hung Kunming	1956	(66)	Secretary of the CPC Guangdong Provincial Committee (Head of the Publicity Department of the CPC, Secretary of the Secretariat of the CPC Central Committee, Secretary of the CPC Hangzhou Committee)

○ Ding Xuexiang	1962	(55)	Chairman of the Standing Committee of the NPC (Secretary of the Committee of Political and Legal Affairs under the CPC Shanghai Municipal Committee)
○ Wang Chen	1950	(67)	Vice chairperson of the Standing Committee of the NPC, (Director of State Council Information Office)
○ Liu He	1952	(65)	Vice Premier (Vice chairman of the National Development and Reform Commission)
Xu Qiliang	1950	(67)	Vice chairman of the CPC Central Military Commission
Sun Chunlan	1950	(67)	Head of the United Front Work Department of the Central Committee of the CPC (Secretary of the CPC Tianjin and Fujian Committee, First Secretary of All-China Federation of Trade Unions)
○ Li Xi	1956	(61)	Secretary of the CPC Liaoning Provincial Committee (Deputy Secretary of the CPC Shanghai Committee)
○ Li Qiang	1959	(58)	Secretary of the CPC Shanghai Committee (Secretary of the CPC Jiangsu Provincial Committee Province, Mayor of Zhejiang Province)
○ Li Hongzhong	1956	(61)	Secretary of the CPC Tianjin Municipal Committee (Secretary of the CPC Hubei Provincial Committee)
○ Yang Jiechi	1950	(67)	State Councilor (Foreign Minister)
○ Yang Xiaodu	1953	(64)	Director of the National Supervisory Commission (Minister of Supervision, Deputy Secretary of the Central Commission for Discipline Inspection)
○ Zhang Youxia	1950	(67)	General in the People's Liberation Army
○ Chen Xi	1953	(64)	Head of the Organization Department of the CCP (president of the Central Party School, deputy secretary of the CPC Liaoning Provincial Committee)
○ Chen Quanguo	1955	(62)	Deputy head of the CCP Central Rural Work Leading Group (Autonomous Region Committee, Secretary of the CPC Tibet Autonomous Region Committee)
○ Chen Miner	1960	(57)	Secretary of the CPC Chongqing Committee (Secretary of the CPC Guizhou Provincial Committee)
Hu Chunhua	1963	(54)	Vice Premier (Secretary of the CPC Guangdong Provincial Committee, Secretary of the CPC Inner Mongolia Autonomous Region Committee and Mayor of Hebei) (Demoted from the Politburo to the Central Committee on October 2022)
○ Guo Shengkun	1954	(63)	CPC Central Committee Secretariat (Minister of Public Security of the People's Republic of China, Secretary of the CPC Guangxi Zhuang Autonomous Region Committee)
○ Hung Kunming	1956	(61)	Secretary of the Secretariat of the CPC Central Committee, Head of the Publicity Department of the CPC (Secretary of the CPC Hangzhou Committee)
○ Cai Qi	1955	(62)	Secretary of the CPC Beijing Committee (Executive Vice Governor of Zhejiang Province)

Note: ○ = new appointments; ages listed as of the end of 2022 and 2017

Source: Xinhua, etc.

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