

Beijing, 16 Mar (Xinhua) -- The Outline of the 12th Five-Year Program for National Economic and Social Development of the People's Republic of China

Table of Contents

Section One: Transform Model and Open up a New Phase in Scientific Development

Chapter One: Environmental Development

Chapter Two: Guiding Thought

Chapter Three: Major Objectives

Chapter Four: Policy Direction

Section Two: Strengthen Agriculture and Bring Benefits to Farmers and Accelerate New Socialist Rural Area Building

Chapter Five: Accelerate Modern Agriculture Development

Chapter Six: Expand Channels for Farmers to Increase Incomes

Chapter Seven: Improve Conditions for Production and Living in Rural Areas

Chapter Eight: Perfect Structure and Mechanism for Development in Rural Areas

Section Three: Transformation and Upgrading and Raise Industrial Sector's Core Competitiveness

Chapter Nine: Transform and Upgrade Manufacturing Sector

Chapter Ten: Nurture and Develop Strategic Emerging Sectors

Chapter Eleven: Promote Transformation of Energy Production and Utilization Model

Chapter Twelve: Establish Comprehensive Transportation System

Chapter Thirteen: Comprehensively Raise Information-Based Level

Chapter Fourteen: Promote Maritime Economy Development

Section Four: Create Environment and Promote Great Development of Service Sector

Chapter Fifteen: Accelerate Development of Productive-Type Service Trade

Chapter Sixteen: Greatly Develop Livelihood-Type Service Trade

Chapter Seventeen: Foster an Environment Favorable to Service Trade Development

Section Five: Optimize Setup to Promote Coordinated Regional Development and Healthy Urbanization Development

Chapter Eighteen: Implement an Overall Strategy for Regional Development

Chapter Nineteen: Implement Major Function-Oriented Zone Strategy

Chapter Twenty: Promote Urbanization Actively and Steadily

Section Six: Green Development and Build a Resource-Saving and Environment-Friendly Society

Chapter Twenty One: Deal Positively with Global Climate Change

Chapter Twenty Two: Strengthen Resource-Saving and Management

Chapter Twenty Three: Energetically Develop Circular Economy

Chapter Twenty Four: Increase Environmental Protection Intensity

Chapter Twenty Five: Promote Ecology Protection and Restoration

Chapter Twenty Six: Enhance Water Conservancy and Disaster-Prevention and Disaster-Reduction Structure Building

Section Seven: Innovate on and Promote Implementation of the Strategy of Relying on Science and Education to Invigorate the Nation and the Strategy of Relying on Talented People to Make the Country Strong

Chapter Twenty Seven: Increase Sci-Tech Innovation Capabilities

Chapter Twenty Eight: Accelerate Educational Reform Development

Chapter Twenty Nine: Train and Expand the Rank of High-Quality Talented People

Section Eight: Improve the People's Livelihood and Establish a Sound Basic Public Service System

Chapter Thirty: Raise the Basic Public Services Level

Chapter Thirty One: Implement the Strategy on Giving Priority to Employment

Chapter Thirty Two: Rationally Adjust Income Distribution Relationship

Chapter Thirty Three: Perfect Social Protection System Covering Urban and Rural Citizens

Chapter Thirty Four: Perfect Basic Medical and Public Health System

Chapter Thirty Five: Raise Housing Security Level

Chapter Thirty Six: Do Well in Population Work in Comprehensive Manner

Section Nine: Look into Both Root Cause and Symptoms; Enhance and Innovate on Social Management

Chapter Thirty Seven: Innovate on Social Management System

Chapter: Strengthen Communities' Autonomy and Service Functions in Urban and Rural Areas

Chapter Thirty Nine: Enhance Social Organization Building

Chapter Forty: Perfect Mechanism for Maintaining the Masses' Rights and Interests

Chapter Forty One: Strengthen Public Security System Building

Section Ten: Inherit and Innovate and Promote Culture's Great Development and Thriving

Chapter Forty Two: Raise the Nation's Civilization Quality

Chapter Forty Three: Promote Cultural Innovation

Chapter Forty Four: Develop and Make Cultural Undertakings and Cultural Industry Thrive

Section Eleven: Tackling Reform Tasks and Perfect Socialist Market Economic System

Chapter Forty Five: Persist in and Perfect Basic Economic System

Chapter Forty Six: Promote Administrative Structural Reform

Chapter Forty Seven: Accelerate Fiscal and Taxation Structure Reforms

Chapter Forty Eight: Deepen Financial System Reform

Chapter Forty Nine: Deepen Resource-Type Product Price and Environmental Protection Fee Collection Reform

Section Twelve: Create a Mutually Beneficial and Win-Win Situation and Raise Opening-Up Level

Chapter Fifty: Perfect Regional Opening-Up Setup

Chapter Fifty One: Optimize External Trade Structure

Chapter Fifty Two: Work Out Overall Planning for the Strategy of "Attracting Foreign Investment" and of "Going Global"

Chapter Fifty Three: Actively Participate in Global Economic Management and Regional Cooperation

Section Thirteen: Develop Democracy and Promote Socialist Political Civilization Building

Chapter Fifty Four: Develop Socialist Democratic Politics

Chapter Fifty Five: Comprehensive Legal System Building Promotion

Chapter Fifty Six: Enhance Anti-Corruption and Clean-Government Building

Section Fourteen: Deepen Cooperation and Build Chinese Nation's Common Home

Chapter Fifty Seven: Maintain Long-Term Prosperity and Stability in Hong Kong and Macau

Chapter Fifty Eight: Promote Cross-Strait Relations Peaceful Development and Great Cause of Motherland's Reunification

Section Fifteen: Military-Civilian Harmony and Enhance National Defense and Army's Modernization Building

Chapter Fifty Nine: Enhance National Defense and Army's Modernization Building

Chapter Sixty: Promote Army-Civilian Harmonious Development

Section Sixteen: Enhance Implementation and Realize Magnificent Development Blueprint

Chapter Sixty One: Perfect Program Implementation and Assessment and Evaluation Mechanism

Chapter Sixty Two: Enhance Program Coordination and Management

The compilation of the Outline of the 12th Five-Year (2011-2015) Program for National Economic and Social Development of the People's Republic of China is based on the "CPC Central Committee's Proposal on Formulating the 12th Five-Year Program for National Economic and Social Development," which is mainly to expound the state's strategic intention, define the main points of the government work, and guide the market's principal behavior, and which is a magnificent blueprint for China's economic and social development in the next five years, a common action outline for the people of various ethnic groups in the nation, and a major basis for the government to fulfill the responsibilities of making economic regulation, exercising market supervision, carrying out social management, and providing public services.

Section One: Transform Model and Open up New Phase in Scientific Development

As the "12th Five-Year Program" period will be a key period for building a well-off society in an all-round manner and a tackling period for deepening reform and opening up and for accelerating the economic development model, we need to have an in-depth understanding and a correct grasp of the new changes and new characteristics of the situations both at home and abroad, and continue to seize well and utilize well the important strategic opportunity period, and strive to open up a new phase in scientific development.

Chapter One: Development Environment

The "11th Five-Year Program" period was an extremely extraordinary five-year period in the history of China's development. Faced with the complicated changes in environment both at home and abroad and with major risks and challenges, the CPC Central Committee and the State Council were able to assess the situation and unite and lead the people of various nationalities in the nation to persist in developing the primary task of the Party to administer the country and to invigorate the nation; implement the party's theories, line, principles, and policies; implement correct and effective macro control and regulation; give full play to the political advantages of China's socialist system and to the fundamental role of the market in resources allocation, thereby effecting a new historical change in the nation's outlook. We effectively dealt with the tremendous impact of the international financial crisis; maintained an excellent situation of stable and relatively fast economic development; overcame a number of major natural disasters including the major earthquake in Sichuan's Wenchuan County, the strong earthquake in Qinghai's Yushu, and the major landslides in Gansu's Zhouqu County; successfully hosted the Beijing Olympic Games, the Shanghai World Expo, and the Guangzhou Asian Games; and triumphantly accomplished major objectives and tasks set forth in the "11th Five-Year Program." The overall national strength rose significantly. China's GDP stood at 39.8 trillion yuan in 2010, ranked second in the world. The state's fiscal revenue topped 8.3 trillion yuan. Major strides were achieved in such cutting edge sci-tech areas as manned space, moon exploration project, and super computer. The pace of economic structural readjustment was accelerated. Agricultural production, grain production in particular, achieved consecutive bumper harvests. Positive progress was gained in the optimization and upgrading of industrial mix. Efforts on energy-conservation, emissions-reduction, and on ecological environmental protection were promoted in a down-to-earth manner. Positive results were scored in the control of greenhouse effects. Regional development setups with respective characteristics were initially formed. The people's living standards have been markedly improved. The scale of employment witnessed sustained expansion. Urban and rural citizens saw their incomes increase at a rate faster than any periods since China initiated the policy of reform and opening up. Various levels and various kinds of educational undertakings underwent rapid development. Social protection system was gradually perfected. Structural reforms were carried out in an orderly fashion. New breakthroughs were made in comprehensive reforms in rural areas, and in medical, public health, fiscal, taxation, financial, and cultural structural reforms. Development vitality continued to show. Opening up level reached new heights. The total import/export amount ranked second in the world. The level of foreign capital utilization rose. The pace of investment in foreign countries visibly accelerated. China's international status and impact rose significantly. Major progress was achieved in socialist economic construction, political construction, cultural construction, social construction, and in ecological civilization construction, thus composing a new chapter of socialist cause with Chinese characteristics.

The results thus achieved in the past five years did not come easily. The accumulated experience was even more precious. And the impact of the created spiritual fortune was of far-reaching significance.

During the "12th Five-Year Program" period, the situation at home and abroad will continue to experience deep-seated changes, and there will be new characteristics in primary stage of our country's economic and social development. An overall assessing of the international and domestic situation shows that China's development is still in an important strategic opportunity period during which China can achieve much. China will not only face hard-to-come-by historical period but also confront many foreseeable and unforeseeable risks and challenges. We need to enhance consciousness for opportunities and for hardship awareness, proactively adapt to environmental changes, effectively try to defuse various contradictions, and rise up even more energetically and with great promise to promote China's reform, opening up, and socialist modernization building.

Internationally, peace, development, and cooperation remain the tide of the times. The multi-polarity in the world and economic globalization are developing in deep. There have been new changes in the world's economic and political setups. Scientific and technological innovation breeds new breakthroughs. The overall international environment is favorable to China's peaceful development. At the same time, the impact of the international financial crisis is of far-reaching significance. The speed of world economic growth has slowed down. Obvious changes appear in global demand structure. Competition surrounding market, resources, talents, technologies, standards, and in other areas becomes even more acute. Global issues including climate change, energy and resources security, grain security become even more conspicuous. Protectionism in various forms raises its head. The external environment of China's development becomes even more complicated. We need to persist in having an even wider perspective; make cool-headed observation; deal matters in a calm manner; take the two overall international and domestic situations into account and plan accordingly; grasp well the new definition in global economic division of labor; and actively create new advantages by participating in international economic cooperation and competition.

Domestically, industrialization, informatization, urbanization, marketization, and internationalization are experiencing in-depth development. Per-capita national income has increased steadily. The transformation of economic structure has accelerated. There is huge potential for market demands. Capital supply is abundant. The overall sci-tech and educational levels have risen. The quality of labor force witness improvement. Infrastructure building is improving day by

day. The system's vitality has enhanced significantly. The government's ability of exercising macro-regulation and control and of dealing with complex situation has increased significantly. We have been able to maintain stability in overall social situation. We have full conditions to reach new heights in promoting economic and social development and in overall national strength. At the same time, we must be soberly aware of the fact that the problems of lack of balance, lack of coordination, and lack of sustainability in China's development remain prominent. They are mainly manifested in: The strengthening of the constraints of resources environment on economic growth; the lack of balance between investment and consumption relationship; big gaps in income distribution; weak sci-tech innovation capabilities; irrational industrial mix; agricultural foundation remains weak; lack of coordination between urban and rural development; the co-existence of the pressure of total employment amount and structural contradiction; the intensification of the pressure of commodity price rises; marked increase in social contradictions; and there are still many structural and mechanism obstacles that constrain scientific development. We should make scientific assessment and correctly grasp development trends, make full use of various advantageous conditions, speed up the pace of resolving prominent contradictions and problems, and concentrate efforts on running well our matters.

Chapter Two: Guiding Thought

We should hold high the great socialist banner with Chinese characteristics, guided by the important thinking of Deng Xiaoping Theory and the "Three Represents," implement the scientific development concept in depth; adapt to new changes in situation in abroad and at home; meet with the new expectations of the people of various nationalities for leading even better lives; make the scientific development as the main theme and the transformation of the economic development model as the main line to deepen reform and opening up; protect and improve the people's livelihood; consolidate and expand the results of dealing with the impact of the international financial crisis; promote the long-term, steady and relatively fast development of the economy and social harmony and stability; and lay a foundation of decisive significance on building a well-off society in an all-round manner.

Making scientific development as the main theme is the demand of the times, which has a bearing on the overall situation of reform, opening up, and of modernization building. As China is now and will remain for a long time at the primary stage of socialism, development remains the key to resolve all the problems in China. The innate demand of persisting in development as the final word is to insist on scientific development. Making the acceleration of the transformation of the economic development model as the main line is a path that we must travel to promote scientific development, which represents a deep change of China's economic and social areas, and a change of overall, systematic, and strategic nature; hence the need to run through the entire process and various domains of economic and social development, and the need to promote transformation during development and seek development during transformation. In the next five years, we need to ensure that scientific development will achieve new and significant progress, and that the transformation of the economic development model will score substantive progress. The basic requirements are:

-- We need to persist in making the strategic readjustment of economic structure the main tackling direction of accelerating the transformation of the economic development model. We need to establish a long-term effective mechanism to expand domestic demands, and bring about a coordinated transformation in economic growth that relies on consumption, investment, and exports. The status of agriculture as the foundation of the national economy should be strengthened. There is a need to raise the manufacturing sector's core competitiveness, develop strategic emerging sectors, accelerate the pace of developing the service trade, and promote an economic growth that relies on the coordinated transformation of the primary, secondary and tertiary industries. We should coordinate urban and rural development, actively and steadily promote urbanization, accelerate the pace of socialist new rural area building, bring about regional virtuous interaction and coordinated development.

-- We need to persist in making scientific and technological progress and innovation as the main pillar of accelerating the pace of the transformation of the economic development model. We should carry out in-depth implementation of relying on the strategy of using science and technology to invigorate the nation and on the strategy of utilizing talented people to make the country strong. There is a need to give full play to the role of science and technology as the primary productive force and to the role of talented people as the primary resource; raise the level of educational modernization; enhance indigenous innovation capabilities; expand the rank of innovative talented people; promote development in the direction of mainly relying on sci-tech progress, on the raising of the quality of laborers, on the transformation of management innovation; and accelerate the pace of building an innovative-type country.

-- We need to persist in making the protection and improvement of the people's livelihood as the starting and ending point of the transformation of the economic development model. We should perfect, ensure, and improve system arrangements related to the people's livelihood; give priority to the creation of employment in economic and social development; speed up the development of various social undertakings; promote the provision of equal basic public services; intensify the degree of regulating income distribution; unswervingly take the path of common prosperity, so that

the results of development will bring benefits to all the people.

-- We need to persist in building a society that conserves resources and that is friendly to environment as an important effort to accelerate the pace of the transformation of economic and social development model. There is a need to implement in depth the basic national policy of conserving resources and of protecting the environment. We should conserve energy; reduce greenhouse effect; develop a circular economy; promote low-carbon technologies; actively deal with global climate change; promote the mutual coordination between economic and social development and population, resources, and the environment; and take the path of sustainable development.

-- We need to persist in making reform and opening up as a powerful driving force to accelerate the pace of the transformation of the economic and social development model. We should resolutely promote reforms in economic, political, cultural areas, and step up establishing structures and mechanisms favorable to scientific development. An opening strategy that leads to a mutually beneficial and win-win situation should be implemented. We also need to jointly deal with global challenges and share development opportunities together with the international community.

Chapter Three: Major Objectives

In line with the close integration of the major arrangements on dealing with the impact of the international financial crisis, with the demands for the close integration of the objectives of struggle to realize the building of a well-off society in an all-round manner by 2020, and by comprehensively taking into consideration the development trends in the future and conditions for development, we set the main objectives of economic and social development in the next five years as follows:

-- Steady and relatively fast economic development. We will strive for an average annual GDP growth of 7 percent, for the creation of 45 million jobs in urban and rural areas, for controlling registered unemployment rate in urban and rural areas within 5 percent, for maintaining basic stability in overall price level, for a basic balance in international payments, and for a significant rise in the quality and effect of economic growth.

-- Major progress in structural readjustment. We will strive for a rise in citizens' consumption rate. We will further strive to consolidate the foundation of agriculture, continue to optimize industrial structure, achieve breakthroughs in the development of strategic emerging sectors, and to raise the ratio of service trade's value added to a four percentage point in GDP. The urbanization rate will be raised to a four-percent point. We will strive to further enhance the coordination between urban and rural regional development.

-- Marked rise in sci-tech and educational level. We will strive to significantly raise the quality of the nine-year compulsory education, consolidate the rate of the nine-year compulsory education to 93 percent, and the net school attendance rate of the high-school stage education to 87 percent. Budget expenditures for research and experiment development will reach 2.2 percent of GDP. The patent rate will be raised to 3.3 cases per 10,000 citizens. Marked results in energy conservation and in environmental protection. Arable land will be maintained at the 1.818 billion mu level. The water consumption per unit of industrial value added will be reduced to 30 percent. The effective utilization parameter of water for irrigation purposes will be raised to 0.53. The proportion of non-fossil fuels in primary energy consumption will reach 11.4 percent. Energy consumption per unit of GDP will be cut by 16 percent. The discharge of carbon dioxide per unit of GDP will be reduced by 17 percent. The total volume of the discharge of major pollutants will be significantly reduced, with the reduction of 8 percent for chemical demand oxygen and for sulfur dioxide, and of 10 percent for ammonia nitrogen and nitrogen oxide. The forest coverage rate will be raised to 21.66 percent, and the volume of the forest growing stock will be increased to 600 million cubic meters.

-- The people's livelihood will be continuously improved. The nation's population will be controlled within 1.39 billion. The average life expectancy will be raised by one year to 74.5 years. The per capita disposable income of urban citizens and the per capita net income of rural citizens will rise, respectively, over 7 percent. The new social pension insurance system will fully cover the people in rural areas. The number of people in urban areas who are covered by the basic pension insurance will reach 357 million. The participation rate of the three types of basic medical insurance in urban and rural areas will be raised to a three-percent point. As part of the housing project for low-income urban citizens, some 36 million affordable housing units will be built in urban areas. There will be significant decrease in the number of impoverished people.

-- Social building will be markedly enhanced. The basic public service system for the citizens in urban and rural areas will be gradually improved. The ideological, ethical, scientific, cultural, and health quality of the people in the nation will rise continuously. The socialist democratic legal system will be further perfected. The people's rights and interests will be earnestly protected. Cultural undertakings will see accelerated development. The ratio of cultural industry in national

economy will rise significantly. Social management system tends to be perfect. Society will be even more harmonious and stable.

-- Continual deepening of reforms and opening up. Reforms of fiscal, taxation, and financial sectors, of factor prices, of monopoly sectors, and of other important areas and key links will achieve significant progress. Government functions will see accelerated transformation. Public trust in the government and administrative efficiency will further increase. The breadth and depth of opening up will continue to expand. The mutually beneficial and win-win opening setup will take further shape.

Chapter Four: Policy Direction

To realize the objectives of economic and social development, there is a need to closely surround the effort of promoting scientific development and of accelerating the transformation of the model of economic development; make overall plans and take all factors into consideration; exert efforts to resolve the problems of the lack of balance, the lack of coordination, and the lack of sustainability in economic and social development; and define major policy guidance:

-- Enhance and improve macro regulation and control. We will consolidate and expand the results of dealing with the impact of the international financial crisis; organically integrate short-term regulation and control policies with long-term development policies; strengthen the coordination between financial, monetary, investment, industrial, land policies; raise the scientific nature and predictable nature of macro regulation and control; enhance the degree of target-orientation and flexibility; rationally adjust economic growth speed; handle well the relationship between maintaining a steady and relatively fast economic growth, readjusting economic structure, and managing inflation expectation; and realize a unity between the speed of economic growth and structural quality and effect.

-- Establish a long-term mechanism to expand consumption demands. We will make the expansion of consumption demand as a key strategy of boosting domestic demands, and promote urbanization through aggressive and steady measures. We will implement the strategy of giving priority to creating new jobs, deepen the reform of income distribution system, perfect social protection system and create an excellent consumption environment. There will be increase of citizens' consumption power, improvement of citizens' consumption expectations, promotion of the upgrading of consumption structure, further release the consumption potential of urban and rural citizens, so as to gradually bring the overall scale of our country's domestic market at the top of the world.

-- Readjust and optimize investment structure. We will give play to the important role of investment to the expansion of domestic demand, maintain rational growth of investment, perfect investment structure and mechanism, clearly define the government's investment scope, and standardize state-owned enterprises' investment behavior. We will also encourage and expand private investment and effectively stop blind expansion and redundant construction. There will be promotion of a virtuous interaction between investment and consumption, an organic integration between the expansion of investment and the creation of new jobs and the improvement of the people's livelihood, and creation of ultimate demand.

-- Simultaneously promote industrialization, urbanization, and agricultural modernization. We will persist in the principle of industry's returning benefits to agriculture, of urban areas' supporting rural areas, of giving more, taking less and loosening control. We will give full play to the radiating and exemplary role of industrialization and urbanization on developing the modern agriculture, on promoting the increase of farmers' incomes, on enhancing infrastructure construction in rural areas, and on public services. We will consolidate the foundation of agricultural development and the foundation of development in rural areas, and speed up the pace of the development of modern agriculture.

-- Rely on sci-tech innovation to promote industrial upgrading. Orienting toward both the domestic and international markets, we will give play to the driving role of sci-tech innovation on the optimization and upgrading of industrial structure, accelerate the state innovation system building, enhance the enterprises' principal status in technological innovation, guide capital, talents, technology and other innovative resources to converge in the direction of enterprises, promote a strategic alliance between industrial sectors and academic circles, raise industry's core competitiveness, and promote the coordinated development of the primary industry, secondary industry, and tertiary industry on an even higher level.

-- promote coordinated and interactive development between regions. We will implement the overall strategy for regional development and the strategy of developing major function-oriented zones, give priority to the implementation of the strategy on the great development of China's western regions in the overall strategy of regional development, and give full play to the relative advantages of various regions. We will promote the rational flow of the factors of production between regions and the orderly shift of industrial sectors. New poles for regional economic growth will be fostered in central and western regions. The coordination on regional development will be enhanced.

-- Perfect the encouragement and restraint mechanism on energy conservation and on emissions reduction. We will optimize energy structure; rationally control the overall volume of energy consumption; perfect the price formation mechanism of energy-related products and the system of collecting environmental taxes and fees; perfect the laws, regulations, and standards on energy conservation and emissions reduction; enhance the target responsibility and assessment on energy conservation and emissions reduction, strive to make resource conservation and environmental protection run through various fields and various links of production, circulation, consumption, and construction, And raise the capability of sustainable development.

-- Further promote the equal provision of basic public services. We will provide the basic public service system to all the people in the nation as public products, perfect the public financial system, raise the government's protection capabilities, establish a basic public service system that is in line with the nation 's actual conditions, that is relatively integrated, that covers urban and rural areas, and that is sustainable, and gradually close the gaps in citizens' living standards and in public services between urban and rural areas and between regions.

-- Accelerate the income growth for citizens in urban and rural areas. We will perfect the regulating system of primary distribution and redistribution, rationally adjust the distribution relations between the state, enterprises, and individuals, strive to realize the growth of citizens' incomes in tandem with economic development, and the growth of labor remuneration in tandem with the raising of labor productivity. We will strive to significantly help increase the incomes of low-income people, continue to enlarge the number of middle income people, work to reverse the trend of the widening income gaps between urban and rural areas, between regions, between professions and trades, and between social members.

-- Enhance and innovate on social management. We will raise social management capabilities, innovate on social management structure and mechanism, and step up service-type government building. We will enforce management in the course of provision of services, and realize services during management. We will exert efforts on resolving problems of source nature, of fundamental nature, and of basic nature that can impact on social harmony and stability, and maintain a society that is stable, that has order, and that is full of life.

Section Two: Strengthen Agriculture and Bring Benefits to Farmers and Accelerate New Socialist Rural Area Building

While deepening the development of industrialization and urbanization, we will promote the modernization of agriculture at the same time. We will perfect the long and effective mechanism of relying on industry to promote agriculture, and on urban areas to help rural areas, intensify the degree of bringing benefits to the farmers, raise agriculture's modernization level and the farmers' living standards, and build beautiful homes so that farmers can lead a happy life.

Chapter Five: Accelerate Modern Agriculture Development

We will persist in taking the path of agricultural modernization with Chinese characteristics, make the assurance of the state grain security as our primary objective, accelerate the pace of the transformation of the model of agricultural development, raise agriculture's overall production capabilities, anti-risk capabilities, and competitiveness.

1. Strengthen Grain Security Assurance Capabilities

We will stabilize grain sowing acreage, optimize species structure, raise unit yield and quality, extensively carrying out high-yield activities, and strive to raise the overall grain production capability to over 540 million tons. We will implement the grain production capability plan of additionally producing 100 billion jin of grain in the nation. There will be increase in the investment and benefit compensation in the main grain production areas. Core grain production areas and major grain counties in non-major production areas will be built into high-yield, stable-yield commercial grain production bases. Arable land will be strictly protected. Efforts on land management and on return of land for farming purpose will be accelerated. Farm project construction centered on farmland irrigation facilities will be strengthened. Medium-yield and low-yield farmland will be transformed. Large-scale building of drought and water-logging resistant and high-standard farmland will be promoted. We will enhance the capability building in the area of grain distribution, grain storage, and dealing with emergency in grain supply and with grain logistics problem.

2. Promote Strategic Readjustment of Agriculture Structure

We will perfect the modern agriculture's industrial structure, develop high-yield, high-quality, highly-efficient, ecological and safe agriculture. There will be optimization of agriculture's industrial setup. There will be quickening formation of an agricultural strategic setup, namely the "23 farm products in seven major farm production zones," which include the main

farm product production areas of the Northeast Plain, the Huanghuaihai Plain, the Changjiang Basin, the Fenwei Plain, the Hetao Irrigation District, South China, Gansu, Xinjiang, and other farming areas. We will encourage and support advantageous production areas to concentrate their efforts on developing such bulk agricultural products as grain, cotton, oil-bearing crops, and sugar crops. There will be accelerated development of facility agriculture and of the standardization production of such horticultural crops as vegetables, fruits, tea, and flowers. We need to raise the development level of animal husbandry as well as the ratio of the output value of the animal husbandry sector. There is a need to promote the healthy development of aquaculture and develop distant-sea fishing. Forestry sector should be aggressively developed. Industrialization operations of agriculture will be promoted. Efforts are required to support and expand the agricultural processing sector and distribution sector. The professionalization, standardization, large-scale and intensive operations of agricultural production will be promoted. We will promote the construction of the modern agriculture demonstration zone.

3. Accelerate Agricultural Technology Innovation

We will promote the intensification of agricultural technology, the mechanization of the labor process, and information-based production operations. Pace of agricultural biological growing, innovation, promotion, and application will be accelerated. We will develop new biological varieties with major application value and with indigenous intellectual property right, expand and bring about the strong growth of modern crop growing. Sci-tech intensification, innovation, promotion, and application in the areas of highly efficient plant growing, disease control, and conservation of water for farming purpose will be strengthened. Measures on overall prevention and management of plant diseases and of pests on such major farm crops as rice, wheat, maize will be implemented. We will accelerate the promotion of agricultural mechanization, promote the integration of agriculture machinery and agronomy, and strive to achieve the overall mechanization level in planting and harvesting to about 60 percent. There is a need to develop agricultural information technology and raise the information-based level of agricultural production operations.

4. Perfect Agricultural Socialized Service System

There will be the strengthening of the capability building of agricultural public services. In rural areas and on regional level, we will accelerate the perfecting of public services including organs responsible for promotion of agricultural technologies, for prevention and control of animal and plant diseases, and for the supervision of the quality of agricultural products. We will nurture agricultural socialized service organs on provision of diverse services. We will support specialized cooperatives for farmers, supply and marketing cooperatives, farmers' agents, and leading enterprises in their provision of various kinds of production and operation services. Farm produce distribution service will be actively developed. Pace on establishing a marketing network for farm produce with low distribution cost and with highly efficient operations will be speeded up.

Chapter Six: Expand Channels for Farmers to Increase Incomes

Guidance and the intensity of support will be enhanced to help the farmers raise their professional and technological capabilities and the capabilities to increase their incomes. Every possible means should be explored to expand the channels for farmers to increase their incomes, and promote the sustained and relatively fast growth of the farmers' incomes.

1. Consolidate and Raise Income Level of Family-Operated Operations

We will perfect the protection system on farm produce prices, steadily raise the minimum procurement prices for key grain products, and improve the policy on temporary collecting and storing of bulk farm produce. Farmers should be encouraged to optimize their breeding and planting structure, raise production and operation levels and economic effects. It is necessary to help farmers rationally share the value-added revenues from farm produce processing and distribution through the development of agricultural industrialization and of new type of rural cooperative organizations. There is a need to develop highly-efficient farming with special characteristics that is suited to local conditions, and to take advantage of agricultural scenery resources to develop tourist and recreation service trades in rural areas, so as to enable the farmers to gain more benefits in the expansion of agricultural functions.

2. Strive to Increase Wage-Type Incomes

We will enhance skills training for farmers and increase services on employment information. There will be development of the export of labor force by providing guidance for surplus labor force in rural areas to work as migrants in a steady and orderly fashion. Equal employment opportunities for both urban and rural laborers will be promoted. We will strive to realize the same remuneration for the same job for both migrants and urban people, and raise the migrants' wage level. There will be increase in county-level non-farming employment opportunities. Farmers will be urged to shift employment locally or seek employment near their hometowns. Support will be given to farmers to establish enterprises to help create new jobs. We will, in conjunction with the efforts of building a new rural area, expand the scale of providing jobs

instead of handing out relief funds, and help the farmers increase their labor incomes.

3. Greatly Increase Transfer Incomes

We will perfect the farming subsidy system, persist in providing direct subsidy to the grain-growing farmers, continue to implement the measures of providing subsidy to farmers who grow excellent varieties and who purchase farm machines and equipment, perfect the dynamic readjustment mechanism on farm material subsidy. We will increase new rural social pension insurance and basic pension funds, raise new rural area cooperative medical subsidy standards and expense account level. We will raise rural minimum living protection level. There will be positive development of policy-type agricultural insurance and increase in the subsidy varieties for agricultural insurance premium and the expansion of the scope of coverage. Funds will be increased to eradicate poverty, and there will a gradual increase in the standard of poverty eradication.

Chapter Seven: Improve the Conditions for Production and Living in Rural Areas

We will, in line with the requirements for promoting the integrated economic and social development in urban and rural areas, do a good job on implementing the plans on building socialist new rural areas, strengthen infrastructure building and public services in rural areas, and promote the comprehensive environmental management in rural areas.

1. Raise Planning and Management Level for Townships and Villages

Adapting to the new situation in rural population migration, we will persist in formulating measures suited to local conditions, respect the wishes of villagers; give play to the outstanding regional and rural characteristics; protect special cultural outlook; and formulate township and village plans in a scientific manner. We will provide rational guidance on housing construction for citizens in rural areas, provide free design plans for housing construction that make use of economical and safe construction materials, and that save land, energy, and materials. We will rationally arrange spatial setting for township construction, for farmland protection, for industrial concentration, for village conglomeration, and for ecological function. There will be overall arrangements for infrastructure construction for production and living in rural areas, and for the construction of service facilities and of public interest causes.

2. Enhance Infrastructure Construction in Rural Areas

There will be comprehensive enhancement of water conservancy projects, perfection of the construction, management, and protection mechanism, acceleration of the supporting facilities and transformation in large and medium-sized irrigation zones and at pumping stations for irrigation and drainage, and timely establishment of a number of new irrigation zones in regions that are rich in water and soil resources. We will do a good job on anti-drought water resource projects, promote small farmland water irrigation building in key counties, and perfect small and mini water conservancy facilities in rural areas. There is a need to enhance the safe drinking water project building in rural areas and greatly promote centralized water supply in rural areas. We will make continued efforts in promoting road construction in rural areas and in further raising the road accessibility and availability rates and the level of road management and maintenance. Steps will be taken to intensify the efforts of improving road conditions and of strengthening dangerous bridges. Energy building in rural areas will be enhanced. We will continue to strengthen the water and electricity building in rural areas, the new rural area electrified county building, and the efforts to substitute thermal power plants with small hydropower stations. A new round of upgrading and transformation of rural power grids will be implemented. The biomass energy will be greatly promoted. Recycling of such biomass energy as crop stubs and of waste materials from the forestry sector, and wind power and solar power will also be energetically promoted. Steps will be taken to enhance the transformation of firewood, coal-saving furnaces, stoves, and heatable brick beds. There will be comprehensive promotion of the transformation of dangerous houses in rural areas, as well as the transformation of dangerous houses in state-owned forest zones (ranches), in slum areas, and in reclamation zones. The project to settle migratory herdsmen will be implemented. There will be strengthening of postal facility building in rural areas. We will promote the information infrastructure building in rural areas.

3. Enhance Public Services in Rural Areas

There will be expansion of the scope of public financial coverage in rural areas and comprehensive raising of financial protection and public service level in rural areas. It is necessary to raise the quality of compulsory education and the balanced educational development level in rural areas. We will promote the process of providing free secondary vocational education in rural areas, and positively develop pre-school education in rural areas. There is a need to establish a perfect rural medical and public health service network to provide safe, cheap, and accessible basic medical services to farmers. We will perfect rural social protection system and gradually raise the protection standards. To enrich the farmers' spiritual and cultural life, the building of public cultural and sports facilities in rural areas will be

enhanced.

4. Promote Comprehensive Environmental Management in Rural Areas

We will manage the surface and ground water pollution from pesticides, chemical fertilizers, and plastic sheeting, and comprehensively promote the prevention of pollution from livestock and poultry breeding. There will be enhancement of the protection of the drinking water source in rural areas and comprehensive management of rivers and of treatment of waste water in rural areas. The supervision and management on the prevention of soil pollution will be strengthened. Measures on rural cleaning project will be implemented. Concentrated disposal of garbage in rural areas will be promoted in an accelerated manner. There will be carrying out of concentrated and massive management of the environment in rural areas. We will strictly forbid the spreading of urban and industrial pollution to rural areas.

Chapter Eight: Perfect Structure and Mechanism for Development in Rural Areas

In line with the requirements for coordinating the development in urban and rural areas, we will speed up the reforms of the development structure and mechanism in rural areas, and increase the development vitality of agriculture and of rural areas.

1. Persist in and Perfect Basic Operation System in Rural Areas

We will persist in the dual operation system, under which centralized operation and decentralized operation are combined on the basis of household contracted management. There is a need to perfect land-related laws, regulations, and relevant policies for rural areas. The existing rural land contract relationship will remain stable and not change for a long time. We will do a good job on defining land right, registration, and certification, perfect the powers and functions of the land contract operations, and protect the farmers' right on occupation, utilization, and incomes from the land they have contracted. And on the basis of voluntary compensation according to the law and enhanced service, we will perfect the market on the transfer of land contract operation right, and develop various forms of moderate scale operations. There will be deepening of comprehensive reform in rural areas, promotion of the reforms on the system of the forest right owned by the collective and the forest right owned by the state forest zone. The pasture contract operation system will be perfected. Reform of the structure of farm reclamation will be accelerated.

2. Establish a Sound System on the Integrated Development of Urban and Rural Areas

Efforts will be accelerated to get rid of the structural obstacles that restrain the coordinated development of urban and rural areas, to promote the equal distribution of public resources in urban and rural areas, and to bring about the free flow of factors of production between urban and rural areas. We will make overall arrangements for development plans of urban and rural areas, promote the integration of the infrastructure construction, of public services, and of social management in urban and rural areas. There will be perfection of the equal factor exchange relationship between urban and rural areas, and promotion of mainly using value added revenues from land and from rural deposits for agriculture and for rural areas. There will be strict standardization on the linkup between the increase or reduction of land use in urban and rural areas, readjustment and optimization of the structure and setup of land use in urban and rural areas, and a gradual establishment of a unified market for land used for construction. There will be strict definition of the land for construction of public interest nature and of operational nature. We will reform land requisition system, reduce the scope of land requisition, and raise the land requisition compensation standards. There is a need to perfect the management mechanism for the transfer of the land for construction of operational nature owned by rural collectives and the homestead management mechanism. We will accelerate establishing a unified human resources market in urban and rural areas, and bring about the formation of an employment system that gives equal treatment to urban and rural laborers. Measures will be adopted to ensure that the increase in the state's financial expenditure and budgetary fixed-assets investment will tilt toward agriculture and rural areas. There will be deepening of reforms at rural credit cooperatives. Encouragement will be given to regions with sound conditions to set up county-based community banks. There will be development of small financial organizations in rural areas and of extension of small loans. The scope of effective collateral will be expanded in rural areas. Following an earnest summing up of the experiences of the comprehensive and supplementary pilot reform projects in urban and rural areas, we will positively explore new ways to solve the issues related to agriculture, rural areas, and the farmers.

3. Increase Development Vitality of County-Based Economy

There is a need to expand counties' development autonomous right and steadily promote the pilot reform projects on expanding the powers of counties and on making the counties strong. It is necessary to establish a sound basic financial protection system for counties, increase the ordinary transfer of payment for county-level finances, and gradually raise

the ratio of the county-level finances in the distribution of financial means at the provincial level or below. Administrative right on investment review and approval, on industrial and commercial management, and on social order management should be granted according to the law to small towns that enjoy fast economic development and that can absorb more population. Resources advantages and other relative advantages of counties should be given play. There is a need to make scientific planning for the direction of industrial development, support labor intensive industries and farm produce processing industries to converge toward counties and major townships, so as to promote the formation of an industrial development setup characterized by a rational division of labor between urban and rural areas.

Section Three: Transformation and Upgrading and Raise the Industry Sector's Core Competiveness

It is necessary to persist in taking the new industrialization path with Chinese characteristics, adapt to market requirements and changes, give play to the relative advantages of our country's industrial sector in global economy in line with the new trends in sci-tech progress, and develop a modern industrial system that is optimized in structure, advanced in technology, that is clean and safe, that has a high value added, and that has a strong capability to create employment.

Chapter Nine: Transform and Upgrade Manufacturing Sector

We will optimize the structure, improve varieties and quality, enhance industry's supporting capabilities, eliminate backward production capabilities, develop advanced equipment manufacturing sector, readjust and optimize raw materials industry, transform and upgrade the consumption industry, and make the manufacturing sector bigger and stronger.

1. Promote the Readjustment of the Structure of Key Industries

There is a need for equipment manufacturing industry to raise the level of basic skills, basic materials, research and development of basic component parts, and system integration, enhance the research and development and industrialization of the major technological turnkey equipment, and promote the intelligent equipment and product manufacturing. Ship-building sector needs to adapt to the new standards in international ship-building, establish a modern ship-building model, and develop high-tech and high value added ships and supporting equipment. The car industry should enhance the entire car research and development capability, realize the technical indigenization of key component parts, raise the energy-conservation, environmental protection, and safety technology levels. Metallurgical and building material sectors should, on the basis of meeting domestic demands, strictly control the expansion of overall volume, optimize product structure, and achieve new progress in the area of product research and development, overall resources utilization, and of energy conservation and emissions reduction. Petrochemical sector should actively explore new ways in the diversified development of raw materials, give priority to developing high-grade petrochemical products, accelerate the readjustment of raw materials for chemical fertilizers, and promote the quality upgrading of petroleum products. Light textile industry should enhance environmental protection, quality, and safety, strengthen enterprises' brand name building, and raise the skill, technological, and equipment levels. Packaging sector should speed up the development of advanced packaging equipment, new packaging materials, and high-grade packaging products. Electronic information sector needs to raise the research and development level, enhance the capability of indigenous development of basic electronic products, and provide guidance on extending toward the high-end of product chain. Construction sector must promote green construction and green construction methods, emphasize advanced construction, use advanced materials, adopt information technology, optimize structure and service model. There is also the need to intensify efforts to phase out backward production capability, suppress, and seek channels for excessive production capacity.

2. Optimize Industrial Setup

In line with the definition of the principal functions of various regions, we should, after taking overall consideration of such factors as energy, resources, environmental capacity, and market space, optimize the productivity setup of major industrial sectors. By mainly relying on domestic major projects related to energies and mining resources, we should optimize the resource set-up of China's central and western regions. By chiefly depending on the key projects related to imported resources, we should optimize the setups of coastal and border areas. To protect the environment, we should carry out the moving of steel, nonferrous metal, chemical industrial enterprises away from urban areas in an orderly manner. We need to optimize the setup of the crude oil processing capability and promote the integrated upstream and downstream development. We will provide guidance on the convergence of factors of production, and build a number of advanced manufacturing bases with international competitiveness through the state's key projects. With the industrial chain serving as a link and with industrial parks as a carrier, we will develop a number of modern industrial groups with refreshingly professional characteristics, an outstanding product brand image, and a complete service platform.

3. Enhance Enterprises' Technological Transformation

We will formulate policies to support enterprises' technological transformation, speed up the application of new technologies, new materials, new skills, new equipment, transform and upgrade traditional industries, and raise market competitiveness. We will support enterprises' efforts to raise equipment level, optimize production process, accelerate the pace of phasing out backward technologies and equipment, and raise the general utilization level of energy and resources. Enterprises are encouraged to strengthen the capability to develop new products, raise the technological contents and value added of their products, and accelerate the upgrading and generational change of products. We will promote the informatization transformation and upgrading in the areas of research and development, design, product distribution, and enterprise management, as well as advanced enterprise management. We will also promote the building of a number of platforms related to industrial technological innovation and service.

4. Provide Guidance to Enterprises' Mergers, Acquisitions and Reorganization

We will persist in marketization operation, give play to the principal role of enterprises, perfect supporting policies, remove system obstacles, and with the car, steel, cement, machine-making, electrolytic aluminum, rare earth, electronic information, pharmaceutical sectors as the main point, promote the cooperation between strong enterprises, cross-regional mergers, acquisitions and reorganization, and raise industry's concentration. There will be promotion of the building of indigenous brand name products, raise the value and effect of name brand products, and accelerate the development of large-scale enterprises that produce internationally-known brand name products and that have core competitiveness.

5. Promote the Development of Small and Medium-Sized Enterprises

We will greatly develop small and medium-sized enterprises and perfect policies and the law and regulation system related to small and medium-sized enterprises. We will help small and medium-sized enterprises accelerate the transformation of development model, enhance quality trust building, and raise product quality and competitiveness. There will be promotion of the readjustment of structure at small and medium-sized enterprises. The level of coordination in professionalized division of labor at the small and medium-sized enterprises will be raised. Guidance is needed for small and medium-sized enterprises to carry out group development, and raise their innovation capability and management level. There is a need to create an excellent environment to stimulate the development vitality of small and medium-sized enterprises. We will perfect the establishment of a system on providing financial services and credit guarantee for small and medium-sized enterprises, raise the scale and ratio of loans for small and medium-sized enterprises, and expand the channels for direct financing. We will implement and perfect preferential policies, including the policy on tax collection, and help lighten the social burden of small and medium-sized enterprises.

Chapter Ten: Foster and Develop Strategic Emerging Sectors

Based on major technological breakthroughs and on the requirement for major development, we will promote an in-depth fusion between emerging science and technology and emerging industries, and on the basis of continuing the efforts of making high-tech industries stronger and bigger, we will nurture strategic emerging industries into leading pillar industries.

1. Promote Key Areas' Leapfrog Development

We will energetically develop such strategic emerging industries as environmental protection, new generation of information technology, biology, high-end equipment manufacturing, new energies, new materials, and new energy car sectors. Industries related to energy conservation and environmental protection need to emphasize on developing key technologies, equipment, products and services that are highly efficient, that save energy, that is advanced, that protect the environment, and that can recycle resources. For new generation of information technology industry, it is necessary to place emphasis on developing new generation of mobile communications, the next generation of the Internet, the integration of telecommunication, cable television, and Internet networks, the Internet of Things, cloud computing, integrated circuit, new type of display, high-end soft ware, high-end servers and information service. For biological industry, stress will be given to developing biological medicines, biological medical engineering products, biological agriculture, biological manufacturing. For high-end equipment manufacturing industry, priority development will be given to aviation equipment, satellite and its application, rail traffic equipment, smart device manufacturing equipment. For new energy industry sector, there is a need to give emphasis on developing a new generation of nuclear energy, utilizing solar energy, photovoltaic power generation and solar power generation, wind power technology and equipment, smart electric grid work, and biomass energy. For new material industry, emphasis should be given to developing new type of functional materials, advanced structural materials, high-quality fiber and its composite materials, common basic materials. For new energy car industry, the emphasis should be placed on developing plug-in hybrid cars, pure electric

cars and fuel cell car technologies. We will strive to bring about the ratio of the value added of the strategic emerging industries in GDP to about 8 percent.

2. Implement Policy on Industrial Innovation and Development Project

We will give play to the special guiding and supporting role of the state's key sci-tech projects with the objectives of mastering industrial core and key technologies and of accelerating the scale industrial development. Relying on advantageous enterprises, on industrial converged zones and on major projects, we will make overall arrangements for technological development, for project development, for formulation of standards, and for application demonstration. We will support business model innovation and market expansion, organize the implementation of some major industrial innovation development projects, and nurture a number of strategic emerging industries, backbone enterprises, and demonstration bases.

3. Strengthen Policy Support and Guidance

There will be establishment of special funds and industrial investment funds for the development of strategic emerging industries, expansion of the government's investment scale for starting businesses related to emerging industries. We will give play to the financial function of the multi-layer capital market, and help guide social investment to invest in innovative-type enterprises that are in their early and middle phase of business operations. We will make comprehensive use of financial preferential policies including the risk compensation scheme to encourage financial organs to increase credit and loan support. We will perfect tax support policy to encourage innovation, provide guidance on investment and on consumption. There will be accelerated establishment of trade standards and of standard systems of major products and technologies that are conducive to the development of strategic emerging industries. We will support the building of supporting infrastructure construction for new production application. And we will create an excellent environment for nurturing and expanding market demands.

Chapter Eleven: Promote the transformation of the Model for Energy Production and Utilization.

We will persist in prioritizing energy conservation. Domestically, we will carry out diverse development and protect the environment. Internationally, we will enhance cooperation. There will be adjustment and optimization of energy structure, and establishment of a safe, stable, economical, and clean modern energy industrial system.

1. Promote Energy's Diversified and Clean Development

We will develop safe and highly efficient coal mines, promote the integration of coal resources and the mergers, acquisitions and reorganization of mining enterprises, and develop large scale coal enterprise groups. Multiple joint research, development, and demonstration on natural gas made from coal, on liquid fuel made from coal will be carried out in an orderly manner. We will steadily promote the development of industrialization. The degree of prospecting and exploitation of natural gas resources will be intensified. We will stabilize domestic oil output, bring about the rapid increase in the output volume of natural gas, and promote the exploitation and utilization of such non-conventional oil and gas resources as coal bed gas and shale gas. We will develop clean, highly efficient, and large capacity coal-fired generating units, give priority to developing thermal power units in large and medium-sized cities and in industrial parks, large coal-fired power stations, and power stations that make use of coal gangue. On the premise of doing well in ecological protection and in settling migrants, we will positively develop hydropower, with the main emphasis on promoting the building of large hydropower stations in China's southwestern regions. There is a need to develop water resources from small and medium-sized rivers suited to local conditions, as well as to scientifically plan the building of pumping and energy storing power stations. On the basis of ensuring safety, we will promote highly-efficient nuclear power development. It is necessary to enhance network merging and supporting engineering construction. Wind power needs to be effectively developed. We will aggressively develop solar energy, biomass energy, geothermal energy, and other new energies. We will promote the popularization and application of distributed energy sources system.

2. Optimize Energy Development Setup

There will be overall arrangements for the nation's energy development setup and for key construction projects. Five state's comprehensive energy bases will be built in Shanxi, Ordos Basin, Eastern Inner Mongolia, Southwestern Region, and in Xinjiang, with an emphasis on developing nuclear power in eastern coastal regions and in central regions. The level of onsite energy processing and transformation needs to be raised. There is a need to reduce the pressure on the long-distance transportation of primary energy. We will rationally plan and build energy reserve facilities, perfect oil reserve system, enhance natural gas and coal reserve building, peak shaving and emergency capability building.

3. Strengthen Energy Transportation Passage Building

Strategic passage building for crude oil and natural gas in northwest, northeast, southwest China, and for crude oil and natural gas imported from the sea will be accelerated. There will be perfection of major pipeline networks for domestic oil and natural gas. We will make overall building arrangements for imported natural gas channels, for liquefied natural gas reception stations, for cross-regional key natural gas transportation and distribution networks, so as to initially form the coordinated development of the gas supply setup of natural gas, coal bed gas, and coal-made gas. To adapt to the requirements for large-scale cross-regional supply of power and for the network of power generation from new energies, we will accelerate the construction of modern power grids. We will also further expand the scale of transmitting power from China's western regions to China's eastern regions, perfect key regional power grids, develop advanced power transmission technology designed for extraordinary high pressure, for large capacity, highly efficient and for long distance transmission of power. By relying on such advanced technologies as information, control, and energy storage, we will promote smart power grid building, earnestly enhance power grid building and transformation in urban and rural areas, and increase the power grids' optimized power allocation capability and the reliability of power supply.

Chapter Twelve: Establish a Comprehensive Transportation System

We will, in accordance with the principle of getting moderately ahead of schedule, make overall arrangements for the development of various types of transportation models, basically build the state's high-speed railway network and high-speed highway network, and initially form a comprehensive transportation system that is marked by supporting linkup of network facilities and by advanced and applicable technology and equipment and by safe and highly efficient transportation services.

1. Perfect Regional-Wide Transportation Network

We will step up the railway passenger special lines, regional trunk lines, and coal-transportation passageway building and develop high-speed railways to form a rapid passenger transportation network. We will enhance the heavy-load transportation network. There will be perfection of the state highway network plan, acceleration of the completion of the remaining road sections of the national highway network and of the bottleneck road sections, as well as enhancement of the transformation and expansion of the trunk lines of the national and provincial highways. We will greatly promote the high-grade navigation channel construction along the Changjiang and at other inland rivers, and promote the development of the standardization of inland water transportation vessels and the development of scale construction of ports. Transportation system for coal, oil, iron ore, and containers will be perfected. The modernization level of the port cluster in coastal areas will be raised. The aviation network, with the international hub airports and trunk line airports as key bone, and the feeder airports as supplement, will be perfected. We will actively promote the development of general aviation, reform airspace management system, and raise the utilization efficiency of airspace resources allocation.

2. Build Intercity Rapid Network

To adapt to the need of city cluster development, we will, by making track traffic and high-speed highway as the key bone, and the national and provincial trunk line road as supplement, promote the building of multi-layer intercity rapid transportation network within the city clusters. We will build the three city cluster intercity transportation networks, namely, the Beijing, Tianjin, Hebei Traffic Network, the Changjiang Delta Traffic Network, and the Zhuajiang Delta Traffic Network, and promote the intercity trunk line building of city cluster in key development areas.

3. Give Priority to Developing Public Transportation

The strategy of giving priority to the development of public transportation will be implemented. We will greatly develop urban public transportation system and raise the sharing ratio of the public transportation. There will be scientific formulation of urban track traffic technological line, standardization of building standards, and an orderly promotion of urban track traffic network building including light track, metro, and tramway traffic. We will actively develop rapid public transportation system on the ground, and raise the network intensity and the station coverage rate. Rental car sector in urban areas will be developed and standardized. There will be rational guidance on trips using private motor vehicles and we advocate non motor vehicle trips. The function and setup of transfer centers will be optimized. Trip efficiency will be raised. There will be overall arrangements for the integrated development of public transportation in urban and rural areas.

4. Raise Transportation Service Level

In line with the requirements for passenger transportation's zero distance transfer and for seamless linkup of cargo

transportation, we will enhance the organic linkup of railways, highways, sea ports, airports, city public transportation, and accelerate the comprehensive traffic hub building. There will be promotion of the application of advanced equipment and technologies, and the raising of transportation informatization level. We will optimize transportation organizations, innovate on service models, promote the integrated passenger ticketing services and the multiple joint cargo transportation. We will greatly develop energy-saving and environment friendly means of transportation and transportation model. There will be active development of the drop-and-pull highway transportation services. Safety management will be enhanced and transportation safety will be ensured.

Chapter Thirteen: Comprehensively Raise Information-Based Level

There is a need to accelerate the construction of the next generation national information infrastructure building including the broadband marked by convergence, security, and universality, bring about the in-depth merging between informatization and industrialization, and promote informatization in various economic and social areas.

1. Build Next Generation Information Infrastructure

We will coordinate the layout of the new generation mobile communication network, next generation Internet, digital radio and television networks, satellite communications and other facilities to form a ultra-high speed, large capacity, highly intelligent national trunk transmission network. There will be the provision of guidance on the construction of broadband wireless cities, the promotion of fiber optics to households in urban areas, the acceleration of the construction of broadband networks in rural areas, and the comprehensive raising of broadband penetration and of access bandwidth. We will promote the research and development of the key technology of the Internet of Things and the application demonstration in key areas. There will be strengthening of cloud computing service platform construction. With an emphasis on the double penetration of radio and television broadcasting and telecommunications sector, we will establish and perfect laws, regulations, and standards, realize the integration of telecommunication, cable television, and Internet networks, and promote network linkup and operation integration.

2. Accelerate Informatization in Economic and Social Areas

There is a need to promote informatization in various economic and social areas. We will actively develop electronic commerce, perfect the electronic commerce services that are oriented toward small and medium-sized enterprises, and promote the supporting system building of credit service, of online payment, and freight forwarding that are oriented toward the entire society. There will be energetic promotion of the national electronic-government building, and the promotion of the interlinking between important government information systems, of information sharing, and of operation coordination. We will build and perfect systems on network administration review and approval, on information transparency, on online letters and complaints service, and on electronic supervision and auditing. We will strengthen market supervision, social protection, medical and public health building and other major information system building. There will be perfection of basic information resources systems on geography, population, legal persons, finance, taxation, and statistics. We will enhance the integration of information resources, the standardization of the collection and release of information, and enhance socialized comprehensive development and utilization.

3. Enhance Security Protection of Network and Information

It is necessary to perfect laws and regulations on network and information security, improve network security standards system and certification system, enforce grade-based information security protection system, risk evaluation system, and other systems. There is a need to accelerate the application, pilot demonstration and promotion of safe and controllable key software and hardware, enhance the information network supervision and information management and control capability building, and ensure the safety of basic information network and key information system. There will be promotion of the infrastructure building on information security, and establish an information security protection system. We will enhance the management over the Internet and ensure the security of national network and information.

Chapter Fourteen: Promote Maritime Economy Development

We will persist in land and sea coordination, formulate and implement the strategy on ocean development, and raise the capability of maritime development, control, and comprehensive management.

1. Optimize the Structure of Maritime Sector

There is a need to scientifically plan for the development of maritime economy, rationally develop and utilize maritime resources, actively develop oil and gas from the ocean, maritime transportation, maritime fishing, seaside tourism, foster

and enhance such emerging sectors as maritime biological medicines, comprehensive utilization of sea water, and maritime engineering equipment manufacturing. There is a need to enhance maritime technological research and development of basic, forward-looking, and key nature, raise maritime sci-tech level, and increase maritime development and utilization capability. We will deepen the integration of sea port and coastline resources and optimize seaports' lay-out. We will formulate and implement plans on maritime principal function zones and optimize maritime economic space setup. There will be promotion of pilot projects for the development of maritime economy in Shandong, Zhejiang, and Guangdong.

2. Strengthen Comprehensive Maritime Management

We will strengthen coordination and perfect the maritime management system. We will enhance ocean space and islands management, perfect the market mechanism of the utilization right of ocean space, promote islands' protection and utilization, and support the development of remote islands. There is a need to coordinate ocean environmental protection and the prevention of land-sourced pollution, and enhance ocean ecological system protection and restoration. It is necessary to control the excessive development of coastal resources, enhance management on land reclamation, and strictly standardize the utilization of and activities on uninhabited islands. There will be perfection of the ocean-disaster prevention-and-reduction system. Capability to handle the outbreak of sudden incidents on the sea will be strengthened. The work on carrying out comprehensive ocean survey and mapping will be enhanced. Polar scientific survey and scientific survey of major oceans will be actively conducted. There will be perfection of maritime laws, regulations, and policies, intensification of the enforcement of maritime laws, regulations, and policies, and maintenance of an orderly development of ocean resources. We will enhance bilateral and multilateral maritime affairs consultations, actively take part in international maritime affairs, protect the security of maritime transportation passage, and maintain our country's maritime rights and interests.

Section Four: Create Environment and Promote the Big Development of Service Sector

We will make the promotion of the great development of service trade as a key strategy to optimize and upgrade industrial structure, create an environment that is conducive to the formulation of policies and systems to develop service trade. There will be expansion of new fields, development of new sectors, nurturing of new hot points, promote service trade's large-scale, brand name, network operations, and constantly raise the ratio and level of the service trade.

Chapter Fifteen: Accelerate the Development of Productive-Type Service Trade

There will be professionalized division of labor, acceleration of the innovation of service products and service models, promotion of the merging between productive-type service trade and advanced manufacturing sector, and pushing for the accelerated development of productive-type service trade.

1. Expand Financial Service Trade in an Orderly Way

We will serve the real economy, prevent systematic risks, orderly develop and innovate on financial organization, products, and services, and raise the financial service level in a comprehensive manner. The comprehensive service function of large financial organizations should be given play. It is necessary to actively develop small and medium-sized financial organizations; and surrounding the efforts to promote new types of service models including the development of small and micro enterprises, we will push for sci-tech innovation; promote the development of a green economy; support enterprises' cross-border operations; develop online transaction and other types of new services; and innovate on financial products and service models. There is a need to give better play to the assets allocation and service functions of various financial services including credit financing, securities, trust, money-management, rental, guarantee, and online banking. There is a need to enhance financial infrastructural building, further perfect the financial market's registration, trust, transaction, and settlement systems. It is necessary to expand the areas of insurance services, actively develop liability insurance, credit insurance, explore the development of major disaster insurance, innovate on insurance marketing and service models, standardize the development of insurance's intermediary market, promote the building of re-insurance market, and establish a sound insurance service system.

2. Energetically Develop Modern Freight-Forwarding Sector

We will accelerate the building of a socialized, professionalized, information-based modern freight-forwarding service system; greatly develop third-party logistics; give priority to the integration and utilization of existing freight-forwarding resources; enhance the building and linkup of freight-forwarding infrastructure; raise freight-forwarding efficiency; and reduce freight-forwarding costs. There will be promotion of the development of freight-forwarding services in such major areas as agricultural products, bulk mining products, and major industrial products. It is necessary to optimize the

regional setup for the development of the freight-forwarding sector and support the orderly development of freight-forwarding parks and other logistics functions convergence zones. We will promote modern freight-forwarding management and raise freight-forwarding's intelligence and standardization levels.

3. Foster and Enlarge High-Tech Service Trade

By emphasizing on high tech's extended services and supporting sci-tech innovation's professionalized services, we will greatly develop high-tech service trade. It is necessary to accelerate the development of the research, development, and design sector, and bring about the transformation of industrial designing from outside appearance design into high-end comprehensive design services. We will enhance information service; raise software's development and application levels; develop information system integration service, value added Internet services, information security services, and digital content services; and develop geographical information sector. There will be active development of sci-tech supporting services including the development of inspection, intellectual property right and the transformation of sci-tech results. We will also develop a number of high-tech service key bone enterprises and famous brand products.

4. Standardize and Upgrade Commercial Service Trade

We will greatly develop such professional services including accounting, auditing, taxation, engineering consultations, certification, credit assessment, agency representation, management consultation, and market survey. There will be active development of legal services including lawyers, notary public, judicial authentication, economic arbitration. There will be accelerated development of enterprise management services including development project planning, mergers, acquisitions and reorganization, and financial counseling. There is a need to standardize the development of human resources services including personnel affairs representation, talent recommendation, personnel training, and labor dispatch. It is necessary to promote the healthy development of the advertisement and of commercial exhibition sectors

Chapter Sixteen: Greatly Develop Livelihood-Type Service Trade

Orienting toward the life of citizens in urban and rural areas, we will enrich types of service products, expand service supply, raise service quality, and satisfy diverse demands.

1. Optimize the Development of Commercial and Trade Service Sector

We will optimize the commercial network structures and layouts of supermarkets, shopping centers, and wholesale markets in urban areas, and support communities' commercial development including convenience stores, small and medium-sized supermarkets, and vegetable shops in communities. Support and encouragement will be given to the extension of such modern distribution models as chain store operations, freight forwarding and dispatch, and electronic commerce, to rural areas. Service network in rural areas will be perfected. We support the link between large supermarkets and rural cooperatives. Agricultural produce wholesale markets and farm trade markets will be transformed and upgraded. We will provide guidance for the healthy and standardized development of hotel industry and catering sector. Support will be given to the development of large scale commercial and trade distribution enterprises with international competitiveness.

2. Actively Develop Tourism

There will be comprehensive development of domestic tourism, active development of incoming tourism, and orderly development of outgoing tourism. We will persist in giving equal emphasis on the protection and development of tourist resources, enhancing tourism infrastructure building, and promoting the construction of key tourist zones and tourist routes. It is necessary to promote the development of tourism with special characteristics and the diversified development of tourist products. We will comprehensively promote ecological tourism, develop in-depth cultural tourism, and greatly develop tourism in old revolutionary areas. We will perfect tourist service system, enhance self-discipline and trust building in tourism sector, and raise tourist service quality.

3. Encourage the Development of Family Service Sector

With families as the targets of services, and relying heavily on communities, we will give priority to the development of services including family affairs service, elderly service, and sick people service, encourage and develop home service for the handicapped, actively develop community day care centers and professionalized service organs for the elderly. There will be provision of such characteristic services as home parcel delivery service and home education service in line with local conditions. There will be formation of multi-layer and multi-form of home service market and operation organs. We will step up establishing public-interest information service platform for family service sector. Market supervision will be enhanced. Market order for family service sector will be standardized.

4. Comprehensive Development of Physical Education Cause and Physical Education Industry

We will greatly develop public physical education cause, enhance public physical education facility building, extensively carry out activities to promote physical health among the people, and help raise the awareness for physical health and the health level among the masses, among youngsters in particular. We will continue implementing the project on promoting physical education and physical health among the farmers. There will be optimization of the structure of competitive sports and the raising of the comprehensive strength of competitive sports. We will develop physical education and leisure sports, sports competition and sports exhibition market, sports intermediary and sports stadium operation services, and promote the coordinated development of physical education cause and physical education industry.

Chapter Seventeen: Create an Environment Favorable to the Development of Service Trade

We will rely on opening up to promote reform and use competition to promote development, bring about the system innovation of the service sector, perfect the policy and system of service sector, and optimize the development environment of service trade.

1. Accelerate the Promotion of Reform at Service Areas

We will establish fair, standardized, and transparent market access standards, break down compartmentalization, regional blockade, trade monopoly, expand the areas open to the service trade, encourage and provide guidance to various capitals to invest in service trade, energetically develop service trade enterprises with different forms of ownership, and establish a unified, open, competitive, and orderly service trade market. There will be deepening of socialized reforms of logistics service at organs and institutions. We will explore market management methods that are adapted to the development of new type of service trade. The state service trade sector will carry out comprehensive pilot reform projects. We will explore systems, mechanisms and effective ways favorable to the accelerated development of the service trade

2. Perfect Service Trade Policies

We will encourage the policy of implementing the same rates for both service sector and industrial sector in utilizing electricity, water, natural gas, and heating. There will be expansion of the supply of land for service trade. Priority will be given to service trade on land returned by industrial enterprises. In combination with the reform of value added tax, we will perfect the tax collection system for service-type service trade. Credit and loan channels will be expanded for service trade enterprises. Support will be given to service trade enterprises that meet conditions to list on the stock markets and to issue bonds. The scope of government's procurement of service products will be expanded. A sound standard and system for service trade will be established. We will support the building of brand names and network for service trade enterprises. There will be optimization of the setup of the development of service trade. We will help form an industrial structure in very large cities, with an emphasis on serving the economic development.

Section Five: Optimize Setup to Promote Coordinated Regional Development and Healthy Urbanization Development

We will implement the overall strategy for regional development and the strategy of setting up major function oriented zones, build a setup for regional development characterized by the mutual complementation of the economic advantages of regional economy, by a clear definition of principal functions, by a highly efficient utilization of the state's land space, and by the harmonious existence of man and nature, and gradually realize the equal provision of basic public services in different regions. We will resolutely take the path of urbanization with Chinese characteristics, scientifically formulate development plan for urbanization, and promote the healthy development of urbanization.

Chapter Eighteen: Implement an Overall Strategy for Regional Development

There is a need to give full play to the relative advantages of different regions, promote the rational flow of the factors of production, deepen regional cooperation, promote the virtuous interactive development between various regions, and gradually reduce the gap of regional development.

1. Promote a New Round of the Great Development of Western Regions

We need to give priority and persist in placing the in-depth implementation of the strategy to greatly develop the western regions in the overall strategy of regional development, and provide special policy support. There is a need to enhance infrastructure construction, expand railways, highway, civil aviation, water transportation network, build a number of

backbone water conservancy projects and key water conservancy hubs, and accelerate the promotion of oil and gas pipeline, major power transformation line and power grid interconnection projects. We will step up protection of ecological environment, enhance the prevention of geological disasters, promote the construction of key ecological functional zones, continue to implement key ecological projects, and build a state-level ecological security shield. We will give play to resources advantages; implement a market-oriented strategy of transforming advantageous resources; deploy a number of resources development and in-depth processing projects in resources abundant areas; establish relay areas for the state's major energies, strategic resources and an industrial concentration zone; develop advantageous industries including agriculture and tourism with special characteristics. There is a need to greatly develop sci-tech education, and enhance self-development capabilities. We will support the development in disaster areas, including the development of Sichuan's Wenchuan. It is necessary to promote regional strategic cooperation between Chongqing, Chengdu, and Xian in an all-encompassing manner, as well as the accelerated economic development in the economic zones in Hohhot, Baotou and Ordos area, Guangxi's Beibuwan, Chengdu and Chongqing, Central Guizhou, Central Yunnan, Central and Southern Tibet, Guangzhong, Tianshui, Lanzhou, Xinin, Ningxia along the Huanghe, North Slope of the Tian Mountain. There is a need to nurture a new economic development pole.

2. Comprehensively Invigorate Old Industrial Bases in China's Northeastern Regions and in Other Areas

By giving play to the relative strong advantages of industrial and sci-tech foundation, we will perfect the modern industrial system; promote the upgrading of advantageous industries including equipment manufacturing, raw materials, motor vehicles, and agricultural products' deep processing. We will greatly develop such service trades as finance, freight forwarding, tourism, software and service outsourcing. There is a need to deepen reforms at state-owned enterprises, accelerate the plant-sponsored big-collective reforms and the "debt-to-shares" assets arrangements, and greatly develop non state-owned economy and small and medium-sized enterprises. We will speed up the transformation of the model of agricultural development, and build stable state grain strategic bases. We will exert effort to give good protection of black soil, wet land, forest and pasture, and promote the ecological protection and economic transformation at the Da Xinanling and Xiao Xinanling regions and at the forest zone of the Changbai Mountains. We will promote the transformation and development at resources-depleted regions, and enhance the sustainable development capabilities of cities that have abundant resources. We will coordinate and promote the readjustment and transformation of old industrial bases in the nation. Key emphasis will be given to the regional development of the economy in coastal Liaoning, in Shenyang economic zone, in the Changjitu Economic Zone, in Hadaqi and Musui areas.

3. Greatly Promote the Emergence of Central China Area

We will give play to the geographical advantage of linking the eastern and western regions, make the advantageous industries grow stronger, develop a modern industrial system, consolidate and upgrade the status of the nation's major grain production bases, energy and raw materials bases, modern equipment manufacturing and high-tech industrial bases, and comprehensive traffic and transportation hubs. There will be improvement of the investment environment and an orderly taking over of industrial relocation from eastern regions and from international businesses. We will raise the resources utilization efficiency and the level of the development of circular economy. Comprehensive management of big rivers and big lakes in the nation will be strengthened. The relevant policies on invigorating old industrial bases in China's northeastern regions and on the great development of China's western regions will serve as a reference and be further implemented in detail in China's central regions. Steps will be quickened to establish an economic belt in areas along the Longhai Railways, the Beijing-Guangzhou Railways, the Beijing-Kowloon Railways, and along the Changjiang. We will promote the convergence of population and industries and enhance the link and ties with neighboring city clusters. Major efforts will be made to promote the regional development in the Taiyuan City Group, the Wanjiang City Group, the Boyang Lake Ecological Economic zone, the Zhongyuan Economic Zone, the Wuhan City Circle, and the Huanchangzhutan City Group.

4. Actively Support Eastern Regions' Taking the Lead in Development

We will give play to the eastern regions' major guiding and supporting role on the nation's economic development, take part in an even higher level international cooperation and competition, play a pioneering role in reforms and opening up, and advance ahead of the nation in the transformation of the economic development model, in economic structural readjustment, and in indigenous innovation. We will exert efforts to raise sci-tech innovation capabilities, and accelerate the platform construction of the state innovation type cities and of regional innovation. We will concentrate efforts on fostering new advantages in industrial competitiveness and speed up pace to develop strategic emerging industries, modern service trade, and advanced manufacturing sector. Efforts will also be exerted in promoting structural and mechanism innovation. We will take the lead in perfecting socialist market economic system. We will enhance the sustainable development capabilities and further raise the utilization efficiency of energy, land, and sea space resources. Efforts will be intensified to treat environmental pollution and to ease the restrains caused by resources and environmental bottlenecks. We will promote the integrated development of the regional economies of Beijing, Tianjin,

Hebei, the Changjiang Delta, the Zhujiang Delta, create the Beijing economic circle, and give emphasis on promoting the regional development in coastal regions of Hebei, in Jiangsu's coastal regions, new area of Zhoushan Islands in Zhejiang, in Taiwan Strait's western coast economic zone, in Shangdong Peninsula's blue economic zone. We will build Hainan into an international tourist island.

5. Further Enhance Support to Old Revolutionary Base Areas, Areas Inhabited by Various Ethnic Groups, to Border Regions, and to Impoverished Regions

We will further intensify our efforts of support; enhance infrastructure construction; strengthen ecological protection and restoration; raise public service level; and earnestly improve the production and living conditions in old revolutionary base areas, in areas inhabited by ethnic minorities, in border regions, and in impoverished areas. There will be continued implementation of the policies and measures in support of the development in old revolutionary base areas. There is a need to implement the policies of giving support to the development of areas inhabited by ethnic minorities, give great support to the development in Tibet, Xinjiang and in other ethnic areas, and support the development of ethnic groups that have relatively small populations. In-depth drives on invigorating border areas and on making the people well-off will be promoted. In development policies, land border areas will enjoy the same treatment as the western regions. We will support border trade and the development of products particularly needed by various ethnic minority groups. We will implement projects on tackling poverty in such particularly difficult areas as in Southern Xinjiang, Eastern Areas of Qinghai-Tibet Plateau, Wuling Mountainous Areas, Wumeng Mountainous Areas, Western Yunnan Mountainous Border Areas, Taiba Mountains-Liuban Mountains, and in Central and Western Regions. The efforts to create jobs instead of providing relief funds for impoverished people and the efforts on relocating impoverished people to other places will be intensified. The building and development of the Xinjiang Production and Construction Corp will be supported. The follow-up development of the Three Gorges Dam area and other dam areas will be promoted. There will be cancellation of county-level supporting funds for public-interest construction projects arranged by the central government for old revolutionary base areas, areas inhabited by minorities, border areas, and impoverished areas; and the city-level supporting funds will also be gradually reduced. It is necessary to implement the regional mutual assistance policy, and carry out counterpart assistance in various forms

Chapter Nineteen: Implement Major-Function Oriented Zone Strategy

In line with the requirements for making rational arrangements for the nation's economic setup, we will standardize development order, control development intensity, and strive to form a national land space development setup that is highly efficient, coordinated, and sustainable.

1. Optimize National Land Space Development Setup

We will coordinate the planning for population, economic, land utilization, and urbanization setups, give guidance so that population and economy will converge on areas that are suitable for development. We will protect development space for agriculture and ecology, and promote the coordination between population, economy, resources, and the environment. Development priority should be given to some of the urbanized areas that have dense population, that are particularly high in development density, and that are excessively burdened with resources environment. Development emphasis will be given to urbanized areas that are capable of bearing a very strong resources environment pressure, that have dense population, and that enjoy excellent economic conditions. For major agricultural product producing areas with relatively good agricultural production conditions, and whose principal function is to supply farm produce, there is a need to stress the protection of the safe supply of agricultural products. It is necessary to restrict large-scale and high-intensity industrialization and urbanization development at key ecological functional zones since such development will impact on the overall ecological security. Development should be banned at various grades and various types of natural and cultural resources protection zones that are set up according to the law.

2. Implement Classified Management Regional Policies

We will basically formulate laws, regulations, and policies that are adapted to the requirements at major-function oriented zones, and we will perfect the interest compensation mechanism. Every year, the central government will intensify the efforts of making financial transfer to main agricultural production areas, key ecological functional zones, particularly to key ecological functional zones in central and western regions and enhance basic public service and ecological environment protection capabilities. Provincial governments should also perfect the financial transfer policies toward lower level governments. There is a need to implement the government's investment policies that combine the arrangements by the major-function oriented zones and the arrangements by areas, and the investment arranged by the major-function oriented zones should mainly be used to support the development at key ecological functional zones and the development at major farm produce production zones. The investment under the area arrangements must be in line

with the definition on major functions and with the development direction of various regions. We will revise and perfect the current industrial guidance catalogue, and define the industrial categories that need to be encouraged, that need to be restricted, and that need to be banned at major-function oriented zones. We will implement differentiated land management policies, scientifically define the scale of various forms of land utilization, and regularize control on the use of land. Implementation on the measures to control the total discharge volume of pollutants and the environmental standards will be different at different major-function oriented zones. We will correspondingly perfect policies on agriculture, population, ethnic groups, and on dealing with climate change.

3. Implement Performance-Based Evaluation with Differentiated Emphasis

On the basis of enhancing the provision of basic public services to various regions and of strengthening evaluation of the sustainable development capabilities, we will implement differentiated evaluations in line with the definition of the major functions of different regions. For urbanized regions that have undergone optimized development, we will enhance evaluations on economic structure, sci-tech innovation, resources utilization, and on environmental protection. For urbanized regions that have been given emphasized development, we will make comprehensive evaluations on their economic growth, industrial mix, quality, efficiency, energy conservation and emissions reduction, environmental protection, and population intake. For key farm produce agricultural production zones and for key ecological functional zones that ban development, we will give priority to the performance-based evaluations of agricultural production and to ecological protection, and will not evaluate the total output value and industrial indices in their zones. For key ecological functional zones that ban development, we will make comprehensive evaluations on the protection of the originality and integrity of the natural and cultural resources.

4. Establish a Sound Linkup and Coordination Mechanism

We will give play to the strategic, basic, and restrictive roles of the national major function oriented zone planning in the area of national land space development. In line with the requirements for promoting the formation of the major function oriented zones, we will perfect the formulation of regional planning, do a good job on the linkup and coordination between special project planning, major project layout, and the major function oriented zone planning. There is a need to promote the work on city and county space planning, implement regional principal function definition, and define functional zone setup. It is necessary to study, formulate, and implement such constraining targets as the development intensity and environmental capacity at various types of major function oriented zones. We will perfect, unify, coordinate, and timely update the national land space dynamic supervision and management system that covers the entire country, and carry out a follow-up evaluation of the construction of major function oriented zones

Chapter Twenty: Promote Urbanization Actively and Steadily

There is a need to optimize urbanization setup and formation, enhance urbanization management, and constantly raise the quality and level of urbanization.

1. Establish Urbanization Strategic Setup

In line with the principle of making coordinated planning, of formulating rational setup, of perfecting functions, and of big cities leading smaller cities, and by following the objective law of urban development, we will gradually strive to form city clusters with large radiating effect by relying on large cities and by giving emphasis on small and medium-sized cities, and promote the coordinated development of large, medium-sized, and small cities. We will establish an urbanization strategic setup with the land bridge passageway and the passage way along the Changjiang as two horizontal axis, and the Coastal Passageway, the Beijing-Harbin and the Beijing-Guangzhou Passageway, and the Baotou and Kunming Passageway as three vertical axis, that relies on several city clusters on axis lines, and that makes other urbanized regions and cities as a major component part. We will promote the expansion of economic growth and the market space from east to west, and from south to north.

We will gradually create city clusters in eastern region with an even more competitiveness and nurture and make some city clusters in central and western regions with favorable conditions to grow stronger. Definition of city functions and industrial setup in city clusters will be scientifically planned. We will help relieve the pressure of central downtown areas of very large cities. Industrial functions of small and medium-sized cities will be strengthened. Public services and living functions of small cities will be enhanced. We will promote the integration of infrastructure building and of network development in small and medium-sized cities. Development potential of small and medium-sized cities needs to be positively tapped. There is a need to give priority to the development of small and medium-sized cities with obvious advantageous geographical position and strong resources and environment load-bearing capabilities. We will stress the development of small towns, and gradually turn central townships in eastern regions with favorable conditions, counties in central and western regions, and major border posts into small and medium-sized cities.

2. Steadily Turn the People Who Move from Rural Areas to Become City Citizens.

We will treat the gradual turning of the people who move from rural areas and who meet settlement conditions into city citizens as an important task of promoting urbanization. We will fully respect the farmers' independent selection right over the issue of whether to become city citizens or to stay in rural areas. There will be earnest protection of the farmers' contracted land, homesteads, and other legitimate rights. We will persist in working out measures suited to local conditions; engage in promotion step by step; and gradually turn migrants who maintain stable labor relations and who have lived in the city for some time, and their family members into city citizens. Very large cities need to rationally control population scale, large and medium-sized cities should enhance and improve population management and continue to play an important role of taking in outside population, and small and medium-sized cities and small townships should ease settlement conditions in line with actual situation. We encourage various localities to explore relevant policies and methods, and to rationally determine the scale of turning the people who move from rural areas to become city citizens. As for those migrants who temporarily do not meet the conditions to settle in cities, we should improve public services for them and enhance protection of their rights. We should ensure migrants' sons and daughters to receive equal compulsory education by mainly incorporating them into public-run day-time elementary and secondary schools, and do a good job on linking with high-school stage education. Migrants who have established stable labor relationship with enterprises can join urban basic pension and medical insurance. There is a need to establish basic training subsidy system for migrants, and promote provinces' making overall arrangements for migrants' training funds. It is necessary to improve migrants' living conditions through various channels and through various forms. We encourage working out various ways to incorporate migrants who meet conditions into the urban housing protection system.

3. Enhance Cities' Comprehensive Load-Bearing Capabilities

We will persist in the principle of putting people first, of conserving land and energy, of protecting the environment and ecology, of safety, of practicality, of giving play to special characteristics, and of protecting cultural and natural heritage, scientifically formulate urban planning, perfect urban construction standards, and strengthen planning's constraining force. There will be rational definition of the borders for city development, standardization of new city and new area building, raise the population density in newly built zones, and readjustment and optimization of the structure of land for construction purpose. We will prevent the excessive expansion of the land of very large cities. There is a need to prevent and manage "city diseases."

We will coordinate the ground-level and underground construction of city government's public facilities, comprehensively raise the infrastructure level of traffic, communications, power supply, heating supply, natural gas supply, water supply, waste water and garbage disposal, and enhance fire-fighting and other disaster-prevention capabilities. There will be expansion of green areas and public activity space in urban areas, and accelerate the pace of constructing public culture, sports facilities in urban areas that are oriented toward the public. It is necessary to promote the "village in city" and the transformation of urban and rural areas. We will strengthen supervision over construction market, and standardize the order of construction market. It is necessary to deepen the reforms of the systems of urban construction, investment and financing, and issue construction bonds for city government's projects. We will comprehensively enhance city management, promote digital city building, raise informatization level and meticulous management service level. There is a need to attach importance to cultural heritage and protection, and improve the humanity environment in cities.

Section Six: Green development and Build a Resource-Saving and Environment-Friendly Society

Faced with increasingly strong restraining resources environment, we need to enhance crisis awareness, establish green, low-carbon development concept, perfect encouragement and restraining mechanisms with an emphasis on energy conservation and on emissions reduction, accelerate the building of resources-saving, environment-friendly production methods and consumption patterns, strengthen sustainable development capability, and raise ecological civilization level.

Chapter Twenty One: Deal Positively with Global Climate Change

We need to persist in attaching equal importance to reducing climate change effect and to adapting to climate change, give full play to the role of technological progress, perfect structure, mechanism, and policy systems, and raise the capabilities to deal with climate change.

1. Control Green House Gas Emissions

We will comprehensively use such means as readjusting industrial structure and energy structure, conserving energy,

raising efficiency, and increasing forest carbon sequestration to greatly lower the intensity of energy consumption and of carbon dioxide emissions, and effectively control the green house gas emissions. There will be efforts to rationally control the total volume of energy consumption, strict management of energy utilization, speeding up of the formulation of energy development plans, definition of the overall volume control targets, and working out detailed implementation mechanism. There is a need to plant more trees and promote afforestation, and the need to increase forest coverage to 12.5 million hectares. We will accelerate the research, development, and application of low-carbon technologies, and control the green house gas emissions of industrial, construction, traffic, and agricultural sectors. We will engage in exploring the establishment of standards for low-carbon products, as well as the identification and certification of low-carbon products. We will establish a sound green house gas emissions statistics and calculation system, gradually establish a carbon emissions trading market, and promote low-carbon pilot demonstration projects.

2. Enhance Capability to Adapt to Climate Change

The state will formulate an overall strategy on adaptation to climate change, and strengthen the scientific study, observation and impact evaluation on climate change. There is a need to give full consideration to climate change factors when arranging for productive force setup and infrastructure construction and drawing up plans and designs for constructing major projects. It is necessary to enhance the capability building of adapting to climate change, particularly the capability building of dealing with accidents caused by extreme weather. We will step up the research, development, and promotion of the adaptation technologies, raise the level of adapting to climate change in key agricultural, forestry, water resources areas, and in coastal and ecologically-weak areas. Monitoring, early warning measures, and prevention of extreme weather and of weather-related incidents will be enhanced. There is a need to raise the prevention capability and the capability to reduce natural disasters.

3. Carry out Extensive International Cooperation

We will persist in the common yet differentiated accountability principle, actively take part in international talks, and promote the establishment of a fair and rational international system in dealing with climate change. It is necessary to enhance international exchanges and strategic policy dialogue in the area of climate change, and carry out pragmatic cooperation in scientific research, technological development, and in capability building. The establishment of a platform for international cooperation and of a management system on the setting up of funds and on technological transfer will be promoted. We will also provide support and assistance to developing countries in dealing with climate change.

Chapter Twenty Two: Strengthen Resource-Saving and Management

We will implement the strategy of giving priority to conservation, comprehensively implement the policy of exercising control over the total volume of resources utilization, of making bi-directional readjustment of supply and demand, and of carrying out differentiated management. There will be big rise in energy and resources utilization efficiency and in the degree of protection over various types of resources.

1. Energetically Promote Energy Conservation and Reduce Energy Consumption

There will be control of the excessive growth of high-energy consumption industrial sectors. Particular stress should be placed on doing a good job on energy conservation at industrial, construction, and traffic sectors as well as at public institutions. Energy conservation management at key energy utilization units will be strengthened. Energy conservation target responsibility and evaluation systems will be enhanced. Reward and punishment systems will be perfected. We will perfect laws, regulations, and standards on energy conservation, and formulate, perfect, and strictly implement measures on energy consumption quota of major energy consumption products and on products' energy efficiency standards. There will be strengthening of the energy conservation evaluation and review of fixed assets investment projects. It is necessary to perfect energy conservation marketization mechanism. We will speed up the promotion of the contract energy management and of the power demand side management. The systems on energy efficiency identification, on energy conservation product certification, and on government's compulsory procurement of energy conservation products will be perfected. We will promote advanced energy conservation technologies and products. The capability building of energy conservation will be enhanced. Campaigns on energy saving and on practicing low carbon economy will be promoted among enterprises. Drives on saving energy and reducing emissions will be promoted in-depth among the populace.

2. Enhance Water Resources Conservation

We will enforce the strictest water resources management system, strengthen control over the total volume of water utilization and the fixed rate management, enforce measures on protecting water resources, accelerate the formulation

of the plans on the distribution of the water volume at various rivers, enhance the establishment of the water right system, and build a water conservation type society. There will be enhancement of compensated utilization of water resources, and regularization of the fee collection, utilization, and management of water resources. We will promote water conservation in agriculture, increase efficiency, promote highly efficient water saving irrigation technology including pipeline water transportation popularization and drip irrigation, increase 50 million mu of highly efficient water saving irrigation area, and support the construction of drought-resistant demonstration bases. On the premise of protecting irrigation area, of irrigation guarantee rate, and of the farmers' interest, we will establish a sound water right transfer mechanism for industrial and agricultural water utilization. It is necessary to enhance water conservation in urban areas and raise the efficiency of industry's water utilization. There is a need to promote water conservation technology in key water-using sectors and citizens' conservation of water in their daily lives. It is necessary to enhance the capability building for supervision of water volume and water quality. We will implement the underground water monitoring project, and strictly control the development of underground water. We will greatly promote the utilization of recycled water, mineral water, desalinated water, and brackish water.

3. Land Use Conservation and Intensive Land utilization

We will persist in the strictest arable land protection system, designate eternal basic farmland, establish protection and compensation mechanism, strictly control the occupation of land for various construction purposes, ensure requisition-compensation balance of cultivated land, enforce the compensation-first and requisition-later measure, and ensure there is no reduction in arable land. There is a need to enforce the strictest land conservation system, and strictly control the overall scale of land for construction use. In line with the principle of conserving, intensifying, and of controlling the overall volume of land, we will rationally define the scale, structure, and time order of the newly increase in the land for construction use. There is a need to raise the land maintenance cost, make an inventory of land for construction use, intensify the degree of processing and disposing of idle land, and encourage the in-depth development and utilization of ground and underground spaces. It is necessary to enhance overall planning for land utilization and annual planning control, regularize utilization control, perfect land conservation standards, and strengthen accountability and evaluation of land utilization and land conservation. We will reduce land for construction per unit of GDP by 30 percent.

4. Enhance Mineral Resources Exploration, Protection, and Rational Development

We will enforce the strategic project of mineral prospecting, intensify the degree of mineral prospecting and exploration, realize major breakthroughs in mineral prospecting and exploration, and form a number of strategic contiguous zones for key mining resources. It is necessary to establish a reserve system for major mineral resources. Protection and development management of key and advantageous mining resources will be enhanced. There will be perfection of the compensated utilization system of mining resources, strict implementation of the management system on mining resources planning and zoning, and promotion of the optimization of the rational mining right arrangement and of the prospecting and development setup. There is a need to enforce standards on the minimum exploitation scale of mining areas, and promote scale exploitation. It is necessary to develop green mining, enhance the conservation of mining resources and the comprehensive utilization of mining resources, and raise the repetitive exploitation rate of mining resources, the recycling rate of mine selection and the overall utilization rate. We will promote the restoration and management of the geological environment at mining areas and the reclamation of mining areas, and perfect the guarantee fund system for the restoration and management of the environment at mining areas. There will be enhancement of protection and law enforcement and supervision of mining resources and of geographical environment. We will resolutely stop inordinate mining operations.

Chapter Twenty Three: Energetically Develop a Circular Economy

In line with the principle of reduction, of re-utilization, and of resources recovery, with reduction as priority and with the rise in resources output efficiency as objective, we will promote the development of circular economy at various links of production, distribution, and consumption, and accelerate the building of a resources circular utilization system that covers the entire society.

1. Promote Circular Type Production Methods

There is a need to promote clean production, and promote clean production demonstration at agricultural, industrial, construction, commerce and trade service, and other key sectors. We will control the generation, discharge, emission of pollutants at the source and during the entire process, and reduce resources consumption. It is necessary to enhance the comprehensive utilization of associated minerals and mineral tailings, and raise the comprehensive utilization level of resources. We will promote the recovery and utilization of bulk industrial solid waste, construction waste, roadside waste, agricultural and forestry waste. We will strive to reach the comprehensive utilization rate of industrial solid waste

by 72 percent. We will, in line with the demands of circular economy, plan, build and transform various types of industrial parks, realize intensive land utilization, exchange utilization of waste, energy gradient utilization, waste water circular utilization, and concentrated disposal of pollutants. It is necessary to promote circular economy industrial chain and establish a circular linkage industrial system. We will raise resources output rate by 15 percent.

2. Perfect Resources Circular Utilization and Recovery System

We will perfect the renewable resources recycling system, speed up the establishment of the "trinity" recycling networks of recycling stations at communities in urban areas and in rural areas, of sorting centers, of terminal markets, and promote the scale utilization of renewable resources. It is necessary to accelerate the perfection of the system to recover re-manufactured old stuff, and promote the development of the remanufacturing sector. We will establish a sound system of garbage sorting and recycling, and perfect the system of sorting and recycling, of sealed transportation, and of concentrated disposal. There is a need to promote the recycling and utilization of kitchen garbage and harmless garbage disposal.

3. Promote Green Consumption Model

We will advocate civilized, thrift, green, and low-carbon consumption concept, and promote the formation of a green lifestyle and consumption model that are adapted to China's national conditions. We encourage consumers to buy energy-saving and water-saving products, energy-saving and environment-friendly cars and energy-saving and land-saving houses, reduce the utilization of disposable products, restrict excessive packing, and control irrational consumption. We will urge government organs to carry out green procurement, and gradually raise the ratio of procuring energy-saving and water-saving products and recycled products.

4. Enhance Policy and Technology Support

We will enhance planning guidance and policy support on finance and taxation, perfect laws and regulations and standards, implement producers' accountability extension system, formulate technological and product catalogues of circular economy, establish a renewable products' identification system, and set up a sound statistics and evaluation system for circular economy. We will develop application technologies for reduction at source, for circular utilization, for re-manufacturing, for zero emissions, and production chain, and promote the typical model of circular economy. There will be in-depth promotion of national circular economy demonstration, and organization and implementation of circular economy's "Tens-Hundreds-Thousands Demonstration" drives. We will promote circular economy's demonstrative pilot projects in Gansu, at the Qinghai Caidamu circular economy demonstration zone, and the construction of an experimental zone on comprehensive reform of supporting measures as part of an effort to transform Shanxi into practicing resources type economy.

Chapter Twenty Four: Enhance Environmental Protection Intensity

By emphasizing the resolution of such conspicuous issue as unsafe drinking water and such environmental issues as air and soil pollution that harm the masses' health, we will strengthen comprehensive management and markedly improve environmental quality.

1. Enhance Emissions Reduction and Management of Pollutants

We will implement measures on the control of the total volume of the discharge and emissions of pollutants, strictly implement the system on protecting the source of drinking water, and raise the up-to-the standard rate of the water quality at the drinking water source. There will be enhancement of the pollution management at paper-making, dyeing, chemical industry, leather-making, scale animal husbandry and breeding sectors; continual promotion of water pollution prevention at major river basins; the strengthening of environmental protection and ecological management at key lake and dam areas; the intensification of the efforts to manage the environment and prevent pollution at key cross-border rivers; and the enhancement of the prevention of the pollution of ground water. We will promote the treatment of sulfur dioxide and nitrogen oxide at thermal power plants, at steel, nonferrous metal, chemical industry, and construction sectors, enhance the steady operation of de-sulphurization and de-nitration facilities, and intensify the efforts of treating vehicles' exhaust gas. We will deepen the prevention of particle pollution, enhance the management of foul-smelling pollutants, and establish a sound regional-level mechanism on the joint prevention and joint control of atmospheric pollution. We will strive to make the air quality of the 80 percent of cities at prefectural level or higher to second grade level or higher. There will be efforts to effectively control urban noise pollution. Capability to treat household waste water and to dispose garbage in urban areas will be raised. We will strive to reach the treatment rate of urban waste water and the harmless disposal rate of household garbage in urban areas by 85 percent and 80 percent, respectively.

2. Environmental Risk Prevention

We will enhance the comprehensive management of heavy metals pollution. With the Xiangjiang River Basin as the focus point, we will carry out pilot and demonstration projects on management and restoration of heavy metals pollution. Efforts to prevent the pollution from organic matters, dangerous wastes, and dangerous chemicals of a lasting nature will be intensified. We will carry out pollution management and pilot restoration demonstrations of polluted venues, soil, and water body. It is necessary to enhance nuclear power and radiation supervision capability and ensure nuclear power and radiation safety. Treatment of major environmental hazards left from the history will be promoted. We will step up dynamic monitoring, risk early warning and control of the source of major environmental risks, and raise environmental and health risk evaluation capability.

3. Enhance Environmental Supervision

We will perfect laws and regulations and standardization systems on environmental protection, improve science and technology and economic policies related to environmental protection, and strengthen environmental monitoring, early-warning, and emergency-handling capability building. Efforts on enforcing laws on environmental protection will be intensified. The measures on environmental access will be strictly implemented. Environmental impact evaluation will be carried out according to the law. Environmental monitoring related to industrial relocation and environmental supervision at relocation points will be strengthened. Environmental protection target responsibility system will be strictly enforced. Target verification on controlling overall volume will be enhanced. We will perfect the system on pursuing the responsibility of those who responsible for major environmental and pollution incidents. A social supervision mechanism on environmental protection will be established.

Chapter Twenty Five: Promote Ecological Protection and Restoration

By persisting in giving priority to environmental protection and in mainly stressing nature restoration, we will intensify the efforts of ecological protection and building, and strive to reverse the worsening ecological environment at the source.

1. Build Ecological Protection Shield

We will enhance the protection and management of key ecological functional zones, enhance water source building, preserve soil and water, and maintain wind-resistance and sand-consolidation capabilities, protect biodiversity, and build an ecological security strategic setup with the Qinghai-Tibet Plateau Ecological Shield, the Loess Plateau and Sichuan and Yunnan Ecological Shield, the Northeast China Forest Belt, the North China Sandstorm Prevention Belt, the Southern China Hilly Areas and major rivers in the nation as the backbone, the state's other key ecological functional zones as the major support, and the dot-like development forbidden zones as the important component part.

2. Enhance Ecological Protection and Management

We will continue to implement the natural forest resources protection project; consolidate and expand the results of returning farm land to forest and grassland and of returning grazing land to grassland, promote the comprehensive management of desertification, of stone desertification, and of soil erosion; protect well forest and grassland coverage, rivers and lakes, and wetland. There is a need to do a good job on managing and protecting well forest and grassland, enhance forest and grassland fire-prevention, and disease and pest prevention, and implement the grassland ecological protection, compensation and reward mechanism. It is necessary to enhance the construction and supervision of nature protection zones and raise the management and protection level. Biological safety and management will be strengthened. Protection and management will be strengthened on the resources of biological species. We will effectively prevent the loss of the resources of various species, and positively prevent the invasion of foreign species.

3. Establish Ecological Compensation Mechanism

We will, in line with the "whoever develops the land will be responsible for protecting the ecological environment and whoever profits from the development will be responsible for making compensation" principle, accelerate the establishment of an ecological compensation mechanism. There will be an increase in the amount of balanced transfer payment for key ecological functional zone. We will study the establishment of a special national ecological compensation fund. A reserve fund system for the sustainable development of resources-type enterprises will be promoted. We will encourage, provide guidance, explore, and practice ecological compensation of upstream regions compensating downstream regions, developed regions compensating protected regions, and ecologically-benefited areas compensating ecological protection areas. There is a need to actively explore a market-based ecological compensation mechanism. And we will accelerate formulating and implementing ecological compensation regulations.

Chapter Twenty Six: Enhance Water Conservancy and Disaster-Prevention and Disaster-Reduction Structure Building

We will enhance water conservancy infrastructure building, and on the basis of continuously promoting the management of big rivers, energetically carry out the management of major tributaries, lakes, and of small and medium-sized rivers, and increase the water supply and anti-flood capabilities in urban and rural areas. We will perfect the disaster-prevention and disaster-reduction system, and enhance the capability to resist natural disasters.

1. Raise Water Supply and Logistics Capability

We will perfect the water resources allocation system marked by the South China-North China Allocation, the East China-West China Mutual Assistance Allocation, and Joint River-Dam Allocation; build a number of cross-river basin water allocation projects and backbone water source projects; coordinate and promote the construction of small, medium-sized, and micro water source projects; and increase water resources supply and reservation capability. We will promote the resolution of the project-related water shortage problems in China's southwestern regions and resources-related water shortage problems in China's northwest regions. We will annually increase 40 billion cubic meters of water supply. It is necessary to enhance the utilization of rain, flood water and snow water resources. We will promote hydrological and water resources management building and key water conservancy project allocation and management building.

2. Increase Anti-flood Capabilities

We will continue to enhance the management of big rivers and big lakes including the Huaihe, the Changjiang, the Huanghe, the Dongting Lake, the Poyang Lake, construct key flood-water storage and flood zones, complete a number of key water control projects, and raise the anti-flood capability of key anti-flood protection zone. Greater efforts will be made on the embankment building along big and small rivers and on managing river ways. We will basically complete the management of key small and medium-sized rivers that have anti-flood tasks and that have the flowing areas of more than 200 square kilometers. We will accelerate the task of reinforcing dangerous dams and sluice gates, of removing security risks, and of enhancing anti-flood capabilities. There is a need to enhance standardization building of sea embankments as well as to strengthen the comprehensive management of major river mouths. We will do a good job on cross-border river management and on national land protection.

3. Strengthen Flash flood, Geologic-Meteorological, Earthquake Disaster Prevention and Management

We will raise the prevention capabilities against flash floods and geological disasters, speed up the establishment of disaster investigation and evaluation, monitoring and early warning, prevention and management, and emergency-handling systems, and accelerate implementing measures on evacuation and on key management. Prevention and management of flash flood and of geological disaster at key areas and at key time will be enhanced. Monitoring, early warning, and comprehensive management demonstration will be carried out in key areas that are prone to landslides, mudslides and other geological disasters. There will be comprehensive management of slow evolving geological disasters including the submerging of land surface and land fissures in major cities and areas. It is necessary to enhance the weather, disaster monitoring, early warning, and information releases system building, and raise earthquake monitoring analysis and earthquake prevention capabilities.

Section Seven: Innovate on and Push the Implementation of the Strategy of Relying on Science and Technology to invigorate the Nation and the Strategy of Relying on Talents to Make the Country Strong

We will comprehensively implement the outline of the nation's long and medium plan on science and technology, education, and on talented people; greatly raise sci-tech innovation capabilities; accelerate educational reforms and development; give play to the advantages of talent resources; and promote the building of innovative type nation.

Chapter Twenty Seven: Increase Sci-Tech Innovation Capabilities

We will persist in the principle of indigenous innovation, of making key breakthrough, of supporting development, and of guiding the future; accelerate the national innovation system building; concentrate efforts on raising the enterprises' innovation capabilities; promote the transformation of sci-tech results in the direction of real productive force; and make economic development by relying more on sci-tech innovation.

1. Promote Major Sci-Tech Breakthroughs

We will grasp scientific and technological development trends, make advance arrangements for basic research and for

frontier technological research, promote major scientific discoveries and the creation of new disciplines, and rush to occupy a high ground in future sci-tech competition in materials science, life science, space science, earth science, nanotechnology, and in other sci-tech areas. We will promote the close integration of sci-tech progress, industrial upgrading, and improvement of the people's livelihood, orient ourselves to the major demands of economic and social development, and strive to achieve new breakthroughs in modern agriculture, equipment manufacturing, ecological protection, energy and resources, information network, new materials, public safety and health, and in other fields. We will accelerate implementing the nation's major sci-tech projects and strengthen the capability to make breakthroughs in common core technologies.

2. Accelerate Building Technology Innovation System with Enterprises as the Main Stay

We will deepen sci-tech structural reform and promote the highly efficient allocation and comprehensive convergence of sci-tech resources in society. Emphasis will be given to guide and support the convergence of innovative factors toward enterprises. The government will enhance sci-tech resources support for enterprises. There will be acceleration of the establishment of a technological innovation system with enterprises as the main stay, market as the guide, and with the cooperation between industry and universities, so as to enable enterprises to genuinely become the main part of research, development, investment, technological innovation activity, and of innovation result application. We will strive to enhance the driving force of innovation at scientific research institutes and at institutes of higher education; encourage large enterprises to increase investment in research and development; stimulate the innovative vitality of small and medium-sized enterprises; promote the joint participation of scientific research institutes and institutes of higher learning in innovation strategic alliance; and give play to the important roles of entrepreneurs and leading sci-tech personnel in sci-tech innovation. It is necessary to strengthen the convergence and merging of sci-tech resources between the military and civil sectors, encourage the development of sci-tech intermediary services, and raise the capabilities of providing services to enterprises. There is a need to give play to the converging, radiating and driving force roles of the state innovative type cities, independent innovation demonstration zones, and new high-tech zones, and gradually build Beijing's Zhongguancun into a sci-tech innovation center with global impact.

3. Strengthen Sci-Tech Infrastructure Building

We will, surrounding the enhancement of the capabilities of original innovation, integrated innovation, and of absorbing and re-innovating imported technologies, strengthen platform building for basic and frontier technologies, and for common technological research, build and perfect the infrastructure building for the state's major projects, and enhance mutual supporting measures, openness, sharing, and high-efficient utilization. We will construct several new national science centers in key disciplines and in strategic high-tech fields, key state labs, and establish state sci-tech basic condition platform. We will, in the area of key industrial technologies, build a number of state engineering labs, optimize the construction setup of state engineering centers. There will be enhancement of the building of enterprise technological centers, and support for the building of enterprise technological development platforms and of new service platforms for technological innovation that are geared toward enterprises. There is a need to deepen the implementation of an action plan to raise the scientific quality among the people, enhance the infrastructure building to popularize basic scientific knowledge, and strengthen the popularization of science that is oriented toward the public.

4. Enhance Sci-Tech Innovation Support Policies

It is necessary to enhance the fiscal, taxation, and financial policies to support enterprises' innovation and industrialization of sci-tech research results. We will maintain the steady financial growth for sci-tech budgets, intensify the government's investment in basic research, and deepen the reforms of the management system of sci-tech budgets. Policies to encourage technological progress including enterprises' claiming additional tax deductions for research expenses will be comprehensively implemented. Financial policies to encourage innovation including the hypothecation of intellectual property right will be implemented. A sound market for transaction of technological property right will be established. We will implement the intellectual property right strategy; perfect the intellectual property right legal system; enhance the creation, operation, protection, and management of intellectual property right; and intensify the law enforcement of intellectual property right. There will be encouragement for the adoption and promotion of technological standards with indigenous intellectual property right. Sci-tech results evaluation and reward system will be improved and there will be strengthening of sci-tech credibility building.

Chapter Twenty Eight: Accelerate Educational Reform Development

We will comprehensively implement the Party's educational principles, protect the citizens' right to receive education according to the law, and run well education to satisfy the people. In line with the demands of giving priority to development, of educating the people first, of reform and innovation, of promoting fairness, and of raising the quality, we

will promote the scientific development of educational undertaking, and raise the modernization level of education.

1. Coordinate Development of Various Levels and Various Types of Education

There is a need to actively develop pre-school education and raise the net annual pre-school kindergarten entry rate by 85 percent. It is necessary to consolidate the results of the popularization of the nine-year compulsory education, and comprehensively raise the educational quality and level. We will basically popularize the high-school stage education, and promote the diversified development of ordinary high schools. We will also greatly develop vocational education, and accelerate the development of vocational education that is geared toward the rural areas. There is a need to comprehensively raise the quality of higher education, accelerate the building of the first rate universities in the world, of high-level universities, and of key disciplines. There will be expansion of the scale in training application, composite, and technological type talents. It is necessary to attach importance to and support the development of ethnic education and promote "bilingual teaching." We will care for and support special education. The development of continual education will be accelerated. We will build a society that promotes learning among the populace and that promotes life-long studying.

2. Greatly Promote Education Fairness

We will rationally allocate public education resources, with the emphasis tilting toward rural areas, border and remote areas, impoverished and areas inhabited by minority ethnic groups, and narrow educational gaps. There will be balanced promotion of compulsory education, coordinated planning of school setup, promotion of the standardization building of schools for compulsory education. We will implement the measures on setting the same standards for the number of staff members and their wages for primary and secondary school teachers in counties (cities), as well as the system of exchanges among teachers and school principals. Setting of key schools and key classes at compulsory education stage will be cancelled. New higher educational enrollment plan will be tilted toward central and western regions. Institutes of higher learning in East China will expand the scale of enrollment for students in central and western regions. The cooperation mechanism among institutes of higher learning in East China and West China needs innovation. School operation conditions for running special education will be improved. There will be gradual implementation of free education for handicapped students at high-school stage education. We will perfect the state support system to support students with financial difficulties to finish their education.

3. Comprehensive Implementation of Quality Education

We will abide by the law of education and by the law to develop students' mind and body, persist in giving priority to moral education, stress capabilities, reform teaching contents, methods, evaluation system, and promote students' all-round development of moral, intellectual, physical, and aesthetic qualities. We will establish basic standards and monitoring system on the quality of the state compulsory education and earnestly lighten the school workload of primary and secondary school students. High-school academic level tests and comprehensive quality evaluation will be comprehensively carried out. The tendency of studying for the purpose of passing examination needs to be overcome. The vocational education training model marked by work-study integration, by cooperation between schools and enterprises, and by job training should be implemented. Students' employment skills and capabilities will be raised. The project on improving teaching quality and on teaching reforms at institute of higher learning will be comprehensively implemented. There will be perfection of teaching quality assurance system. We will perfect the training mechanism for post-graduate studies. We will strictly raise teachers' quality, enhance teachers' moral and work style building, raise the professional level of school principals and teachers, and encourage outstanding personnel to engage in life-long educational undertaking.

4. Deepen Educational System Reform

There will be improvement of enrollment methods, and the gradual taking shape of a system on examination by different categories, on comprehensive evaluation, on different forms of enrollment. We will accelerate the process of building a modern school system, promote the separation of politics and school, and the separation of school management from school operation. We will implement and expand the measures on schools' independent school-running right. There will be further definition of the responsibilities of central government and local governments, and enhance provincial-level governments' educational coordination. We will encourage and provide guidance to non-governor sectors to run educational undertaking, implement the measures on giving equal legal status to private schools and public schools, and standardize school-running order. There is a need to expand educational opening-up, enhance international exchanges and cooperation and introduce outstanding educational resources. We will perfect the system of collecting educational funds through various channels, with an emphasis on government's investment. By 2012, the ratio of financial expenditure on education will account for 4 percent of GDP.

Chapter Twenty Nine: Train and Expand the Rank of High-Quality Talented People

We will aggressively implement the strategy of relying on talents to make the country strong; persist in the guiding principle of developing services, giving priority to talents, stressing application, creating innovative mechanism, high-end guidance, and overall development; enhance the contingent building of different talents needed for modernization building; and provide talent guarantee for accelerating the transformation of economic development model and realizing scientific development.

1. Stress Innovative-Type Sci-Tech Talent Training

Surrounding the raising of sci-tech innovation capabilities, the building of innovative-type country, and stressing the training of high-level innovative-type sci-tech talents, we will train a number of world level scientists, leading sci-tech talents, engineers, and a high-level innovative contingent. There is a need to innovate on educational methods, emphasize the nurturing of scientific spirit, creative thinking, and innovative capabilities among students. By stepping up training, and by relying on the state's major scientific research projects, major engineering projects, key disciplines, key scientific research bases, international academic exchange and cooperation projects, we will build high-level innovative type sci-tech talent training bases. There is a need to attach importance to training first-line innovative talents and young sci-tech talents. We will positively import and use well overseas high-level innovative business talents.

2. Promote Coordinated Development of Various Types of Talent Contingent

We will greatly develop special talents that are in shortage and that are urgently needed in the economic sphere of equipment manufacturing, biological technology, new materials, aviation and space, international commerce, energy and resources, agricultural science and technology, and in the social fields of education, culture, politics and law, pharmaceuticals and public health. We will coordinate the promotion of the contingent building of various types of talents in party politics, enterprise operation and management, specialized technologies, high-skill, rural application, and social work, realize the supply of adequate number of talents, rational structure, and the marked raising of the overall quality and innovative capabilities, and satisfy the diversified demands for talents for economic and social development.

3. Create Environment for Producing Outstanding Talents

We must persist in the principle of Party managing talents. There is a need to establish system and mechanism for government's exercising macro-management, for effective market allocation, for units to freely employ personnel, and for talented people to independently select their employment. It is necessary to establish a talent work target responsibility system. We will promote the transformation of the functions of talent management departments, standardize administrative behavior, expand and implement measures on units' autonomous right in selecting personnel. We will deepen personnel system reform at state-owned enterprises and at institutes. There will be innovation on talent management structure and on encouragement and protection mechanism on the training, development, evaluation, discovery, selection and appointment, and talent flow allocation. It is necessary to create a social environment that respects talents, that favors outstanding talents to give full play to their talents. We will improve the talent service and management methods, implement the state's key policies on talents, do a good job on major talent projects, and promote the comprehensive development of the talent cause.

Section Eight: Improve the People's Livelihood and Establish a Sound Basic Public Service System

We will persist in giving priority to the people's livelihood, perfecting employment, income distribution, social protection, medical and public health, and housing guarantees, and in improving the system arrangement for the people's livelihood. We will promote the equal provision of basic public services and strive to benefit the people with the results of development.

Chapter Thirty: Raise Basic Public Services Level

There is a need to persist in the people first principle, in giving priority to service, fulfilling the government's public service responsibilities, raising the government's logistics capabilities, and gradually narrow public service gaps between urban and rural areas.

1. Establish a Sound Basic Public Service System

We will define the scope and standards of basic public service, accelerate the perfection of public financial system, guarantee public service expenditures, and enhance the performance evaluation and administrative accountability of

basic public services. It is necessary to rationally divide the management right between the central government and local governments, and improve the public service management system that combines unified management and categorized management and that makes local government as the main stay.

2. Innovate on Public Service Provision Methods

We will reform on the provision methods of basic public services, introduce a competitive mechanism, expand procurement services, and realize diversification in key provision of public services and in the methods of provision of public services. There will be promotion of market-based reforms of non basic public services, easing of market access, and encouragement of the participation of non-government capital through various forms in enhancing multi-level provision capabilities, and satisfaction of the diversified requirements of the masses.

Chapter Thirty One: Implement Strategy on Giving Priority to Employment

We will persist in giving priority to the promotion of job creation in economic and social development, and perfect the mechanism that integrates laborers' independent selection of employment, market regulation of employment, and government's promotion of employment. We will create equal employment opportunities, raise employment quality, and strive to realize full employment.

1. Implement Even More Proactive Employment Policies

We will greatly develop labor intensive industry, service trade, small and micro enterprises, and try every possible means to expand the scale of employment and creation of new businesses. We will perfect policies on tax and fee reduction and exemption, on post allowances, on training subsidies, on social insurance subsidies, and on technical evaluation subsidies, and create jobs for college graduates, for laborers from rural areas, and for the people in urban areas who have difficulty finding jobs. Policies on encouraging independent starting of new businesses including extension of small loans with collateral, subsidies on interest payment, business site arrangement will be perfected and implemented. We will promote various mass groups to start new businesses and create jobs. A sound mechanism on government investment and on the creation of jobs by key construction projects will be established. Policies on employment assistance will be perfected. There will be creation of public-interest related jobs through various channels. We will encourage development of labor export cooperation.

2. Enhance Public Employment Services

We will establish a sound, unified, standardized and flexible human resources market, perfect public employment service system in urban and rural areas, promote the establishment of a national employment information network, and provide high-quality and highly-efficient employment services for laborers. There will be perfection of the vocational training system geared toward all the laborers and enhancement of the capability building of vocational and technical training. We will universally practice a labor preparatory training system for the newly emerging labor force of secondary school and high school graduates. It is necessary to withdraw the full amount of the budget for education and training of enterprises' staff members and workers and utilize the amount in a rational manner. We will encourage enterprises to carry out on-the-job technical training for their staff members and workers. There is a need to strengthen training for establishing new businesses, and incorporate those who want to set up new businesses and those who need training into the training scope. We will perfect the statistics on urban unemployment rate survey, establish a sound unemployment monitoring and early-warning system, and carry out employment demand forecast.

3. Establish a Harmonious Labor Relationship

We will perfect and coordinate the three-party mechanism on labor relations, give play to the roles of the government, trade unions, and enterprises, strive to create a mechanism through which enterprises and employees can share interests, establish a standardized, orderly, fair, rational, mutually beneficial, win-win, harmonized and stable labor relationship. We will comprehensively promote the labor contract system and constantly expand the coverage of collective contract. The system on the utilization of reserve labor will be comprehensively promoted. The utilization of dispatch laborers will be standardized. We will improve labor conditions, accelerate the establishment of labor standard system, and enhance the labor quota standard management. The labor dispute handling mechanism will be perfected. Mediation and arbitration of labor disputes will be enhanced. There will be intensification of the efforts of supervision and law-enforcement on labor protection, and earnest maintenance of the rights and interests of laborers.

Chapter Thirty Two: Rationally adjust Income Distribution Relationship

We will uphold and improve the system in which distribution according to work is dominant and multiple forms of distribution coexist. In primary distribution and secondary distribution, we need to handle well the relations between efficiency and fairness. Fairness should be particularly stressed in secondary distribution. There is a need to accelerate the taking shape of a rational and orderly income distribution setup, strive to raise the ratio of citizens' income in the distribution of national income, raise the ratio of labor remuneration in primary distribution, and strive to reverse the widening trend of income gap as soon as possible.

1. Deepen Wage System Reform

In line with the principle of market mechanism regulation, of enterprises' independent distribution, of reaching a decision through equal consultations, and of government supervision and guidance, we will work out a wage determination and growth mechanism that reflects the supply and demand relations of the labor market and enterprises' economic efficiency. The wage payment protection mechanism will be perfected. We will perfect the minimum wage and wage guidance line system, gradually raise the minimum wage standards, establish enterprise wage investigation and information release system, and positively and steadily expand the coverage scope of collective wage consultations. We will reform the management methods of the total wage amount at state-owned enterprises, enhance the double regulation and control of the total wage amount and of the wage level at some trades, and narrow the differences in wage level among trades. We will perfect the public servants' wage system. There will be perfection of the institutions' income distribution system that is in line with the characteristics of respective units, that takes into consideration job performance, and that practices management by levels and by categories.

2. Perfect Distribution System with Capital, Technology, and Management Participation and Other Factors

We need to perfect the system of the transfer of public resources that is transparent, fair and just, and establish a mechanism through which the people in the nation can share the benefits of the transfer of such public resources as state-own land, sea areas, forest, and mineral products. Transfer revenues will be mainly used to pay for public service expenses.

There will be expansion of the scope of revenue delivery generated from state-owned capital to higher authorities, raising the delivery ratio, and unified incorporation into public finances. The dividend distribution system at joint-stock companies, particularly at listed companies, will be perfected. We will create conditions to help urban and rural citizens' to increase their incomes from property. The due part of technical results will be protected in income distribution. There is a need to establish a sound remuneration system in line with operational and managerial performance, with the defining of risks and responsibilities, strictly standardize the incomes of the managers of state-owned enterprises, state-owned stock-holding financial organs, particularly the incomes of high-level managing personnel, and strictly control job-related consumption.

3. Accelerate the Perfection of Secondary Distribution Regulatory Mechanism

We will accelerate perfecting the secondary distribution's regulatory mechanism with tax collection, social protection, and transfer payment as the main means. We will rationally readjust the tax base of personal income tax and the tax rate structure, raise the deduction standards of wage income, lighten the tax burden of low and medium-income earners, and intensify the tax regulatory degree of high income earners. There will be gradual establishment of a property tax system. We need to readjust financial expenditure structure, raise the ratio of public service expenditure, increase input in social protection, and significantly raise citizens' transfer incomes.

4. Rectify and Standardize Income Distribution Order

There is a need to perfect laws and regulations, enhance government supervision, intensify law enforcement, and accelerate the pace of bringing about an income distribution order that is open, transparent, fair, and rational. We will protect legitimate incomes but will resolutely crack down on illegal incomes. We will rectify and standardize non-wage incomes and non-monetary welfares at state-owned enterprises, organs, and institutions. Management of government's non-tax incomes will be strengthened. It is necessary to rectify and standardize various administrative fee collections and government funds. There is a need to accelerate the establishment of income information monitoring system and of a coordinating mechanism for income distribution.

Chapter Thirty Three: Perfect Social Protection System Covering Urban and Rural Citizens

We will persist in the broad coverage, basic-assurance, multi-level, and sustainable principle, and accelerate the building of a social protection system covering urban and rural citizens, and steadily raise the protection level.

1. Accelerate Social Insurance System Perfection

We will strive to realize the entire coverage of the new type of rural social pension and insurance system, and perfect the implementation of the pension and insurance system for urban staff members, workers, and citizens, comprehensively implement the provincial-level coordination of the basic pension and insurance for urban staff members, realize the national coordination of basic pension, and earnestly do a good job on the transfer and follow-up work of basic pension and insurance relations for staff members in urban areas. We will gradually promote the effective linkup of the urban and rural pension protection system. There will be promotion of reforms of the pension and insurance system at organs and institutions. We will develop enterprise pension fund and vocational pension funds. We will expand the insurance coverage for job-related injuries, raise the protection level, and perfect the work-injury insurance system that integrates prevention, compensation, and rehabilitation. We need to perfect the unemployment and maternity insurance system. The complementary role of commercial insurance should be given play. There is a need to continuously allocate state-owned assets, expand the lottery issuance, and through other channels to replenish the national social protection fund, and promote the investment and operation of pension funds in a pro-active and steady manner.

2. Enhance Social Relief System Building

We will perfect the minimum living standard protection system, standardize management, provide protection according to classification, and incorporate into the system those who need to subscribe to the system. It is necessary to establish a sound and dynamic readjustment mechanism on the standards of low income insurance, and rationally raise low income insurance standards and subsidy level. We need to enhance the integration between low income insurance in urban and rural areas with the policies on minimum wage, unemployment insurance, and poverty eradication, and development. It is necessary to raise the level of the Five-Guarantees Subsistence Program in rural areas. We will do a good job on natural disaster relief work. We will perfect the temporary relief system and ensure the basic livelihood of the groups that are on the fringe of low income insurance.

3. Actively Develop Social Welfare and Charity Cause

By placing emphasis on providing support to the elderly, to the handicapped, to orphans, and to those who in difficulty, we will gradually expand the protection scope of social welfare, promote the transformation of social welfare from the direction of filling the gap to the moderate and universal provision of benefits, and gradually raise the citizens' welfare level. We will persist in the integration of families, communities, and welfare organs, gradually perfect the social welfare service system, and promote the socialization of social welfare services. There is a need to enhance the welfare services for the handicapped and for orphans. It is necessary to enhance the work on giving preferential treatment to army men and their family members. We need to accelerate the development of charity cause and increase charity awareness in society, actively nurture charity organizations, implement and perfect the preferential tax collection policies for donations of public interest nature.

Chapter Thirty Four: Perfect Basic Medical and Public Health System

In line with the requirements for protecting the basics, enhancing the grassroots units, and establishing mechanisms, we will increase financial investment, deepen pharmaceutical and public health system reforms, establish a sound basic medical and public health system, accelerate the development of the medical and public health cause, and give priority to meeting the masses' basic medical and public health requirements.

1. Enhance Public Health Service System Building

We will perfect the establishment of a special public health service network including the prevention and control of major diseases. There will be gradual raising the per capita budget of the basic public health service standards, expansion of the state basic public health service projects, actively prevent the occurrence of major infectious diseases, chronic diseases, occupation-related diseases, indigenous diseases, and mental diseases, and raise the handling ability of major outbreak of public health incidents. We will gradually build medical relief networks in rural areas. There will be the popularization of the action plans on education on health, and on realizing the national health action plan. We will comprehensively promote ban on cigarette smoking in public places. We will establish electronic health files for 70 percent of citizens in urban and rural areas. We will bring down the maternal mortality rate by 22/100,000, and the infant mortality rate by 12 percent.

2. Strengthen Medical Service System Building in Urban and Rural Areas

There is a need to enhance the three-level medical and public health service network building in rural areas with the

county hospitals as the head and township public health centers and village public health clinics as the foundation, perfect the new type of urban medical and public health service system with community public health services as the foundation, and make the newly increased medical and public health resources mainly tilt toward rural areas and toward communities in urban areas. It is necessary to greatly promote the comprehensive reform of grassroots medical and public health organs, establish multi-channel compensation mechanism, and help form a new operation mechanism. We need to strengthen the grassroots medical and public health contingent building with an emphasis on the building of the rank of general practitioners. The policy on encouraging general practitioners to serve a long time at grassroots units should be perfected. There is a need to have two general practitioners per 10,000 people. We will accelerate promoting the system of treatment by different grades and of bi-directional hospital transfer, form a work division cooperation setup between different kinds of city hospitals and grassroots medical organs. It is necessary to perfect regional public health planning, encourage and provide guidance for non-government capital to run medical organs, ease the scope of access for non-government capital and for foreign capital to run medical organs, and form a setup of diversified running of medical organs.

3. Perfect Medical Protection System

We will perfect the basic medical protection system covering urban and rural citizens, further improve the basic medical insurance for staff members and workers in urban areas, the basic medical insurance for urban citizens, the new rural cooperative medical care service, and the urban and rural medical relief system. There will be gradual raising of the per capita fund-raising standards and protection level of the medical insurance for urban citizens and for new rural cooperative medical care service, and narrowing the gap between them. We need to raise the maximum payment limit and the ratio of hospitalization cost payment of medical insurance for urban staff members, for urban citizens' medical insurance, and for new rural cooperative medical care service, and comprehensively promote outpatient service coordination. A good job needs to be done in integrating various systems, organizing operation resources, gradually raising coordination level, accelerating the realization of the transfer and follow-up of medical insurance relations, and in the settlement of medical costs for medical treatment in other regions. There is a need to comprehensively promote the on-time settlement of accounts of the basic medical costs and reform payment methods. We will actively develop commercial health insurance, and perfect the supplementary medical insurance system.

4. Perfect Medicine Supply Protection System

We will establish and perfect the medicine supply and logistics system with the state essential medicine system as the foundation. Grassroots medical and public health organs should comprehensively practice the state essential medicine system. Other medical and public health organs should be gradually supplied with essential medicine and prioritize the utilization of essential medicine. We need to establish a dynamic readjustment mechanism for essential medicine catalogue, perfect the price formation mechanism and the dynamic regulatory mechanism. There is a need to raise the level of submitting factual expense account of essential medicines. We will enhance the management over medicine production, rectify medicine distribution order, and standardize the concentrated procurement of medicines and the rational use of medicines at medical service organs.

5. Active and Steady Promotion of Reforms at Public Hospitals

We will persist in the public interest nature of public hospitals, and actively explore the effective forms of the separation between administrative government department and public hospitals, the separation between the function of hospital management and supervision, the separation of dispensing from prescription, and the separation between business-nature operations and non-business-nature operations. We will promote a modern hospital management system and establish a scientific and rational personnel employment system and distribution system. There will be reform of the compensation system at public hospitals, and active promotion of the reform on payment methods. We will greatly improve the internal management at public hospitals with patients at the center; optimize service flow; standardize medical treatment behavior; improve the relations between doctors and patients; and provide conveniences for the masses to visit hospital. Registered doctors' multiple-site exercise of their profession will be promoted. We will establish a standardized training system for resident doctors. Attention needs to be attached to mobilizing the initiative of medical personnel.

6. Support Traditional Chinese Medicine Development

We will persist in giving equal importance to the development of traditional Chinese medicine and Western medicine, develop traditional Chinese medicine's medical, prevention, and healthcare services, promote the inheritance and innovation of the traditional Chinese medicine, and attach importance to the development of ethnic medicines. It is necessary to develop education on traditional Chinese medicine and enhance the organ building of the traditional Chinese

medicine and the building of the rank of the traditional Chinese medicine. There is a need to enhance the protection, research and development, and rational utilization of the resources of the traditional Chinese medicine, and promote the quality certification and standardization building. When drafting policies on medical logistics and on essential medicines we will encourage the provision and utilization of the traditional Chinese medicine services.

Chapter Thirty Five: Raise Housing Security Level

We will persist in integrating government regulation and control and market adjustment, and accelerate the perfection of the housing structure, mechanism, and policy system that are in line with the nation's actual situation. There will be gradual taking shape of a housing supply and demand setup marked by basic balance in overall volume, a rational structure, basic compatibility between housing prices and consumption capabilities, and realization of the housing needs for the masses.

1. Perfect Housing Supply System

By meeting with basic demands and by providing guidance on rational consumption, we will accelerate the establishment of a housing supply system with the government mainly providing basic assurance and with the market that mainly satisfies multi-level demand. For low-income urban households with housing difficulty, we will practice a low rental housing system. For middle-low income households with housing difficulty, we will provide public rental housing protection. For middle and high income households, we will practice a system that combines rental housing and commodity housing purchase. There is a need to establish a sound housing standard system that is economical, affordable, environment friendly, and that helps conserve resources. We will advocate a housing consumption model that is in line with the nation's actual conditions.

2. Enhance Affordable Housing Supply

We will enhance the responsibilities of various levels of governments, intensify the efforts of building affordable housing, and basically solve the issue of insufficient supply of affordable housing. It is necessary to pool low rental houses through various channels and perfect the rental subsidy system. There is a need to give emphasis on developing public housing and gradually make it into the main part of affordable housing. We will accelerate the transformation of various slum areas and standardize the development of affordable housing. We will establish a stable investment mechanism, intensify the degree of support for financial fund, housing accumulation fund loan, and bank loan, and guide non-government sector to take part in the building and operation of affordable housing. We need to enhance the management over affordable housing, and formulate a fair, rational, open and transparent distribution and renting policy and supervision procedures for affordable housing, and strictly standardize access and exit management, and rent charge standards.

3. Improve Property Market Regulation and Control

We will further implement the local government responsibility and accountability mechanism, incorporate the affordable housing, housing price stabilization, and market supervision enhancement into various localities' work objectives on economic and social development, with the provincial-level governments assuming overall responsibilities and the city and county-level governments assuming direct responsibilities. We will perfect land supply policies, increase the overall supply of the land for housing construction, give priority to arranging the land for affordable housing, and effectively expand the supply of commercial housing. There is a need to perfect the differentiated housing loan and tax collection policies, rationally guide the demands for primary residence and for second home, and effectively put a stop to speculative housing investment. There will be speeding up of formulating a basic housing safeguard law and of revising and perfecting relevant laws and regulations including a property management law in urban areas. We will perfect the housing public accumulation fund system, enhance management and expand the coverage scope. We need to strengthen market supervision and standardize property market order.

Chapter Thirty Six: Do Well in Population Work in a Comprehensive Manner

We will control the total number of population, raise population quality, optimize population structure, and promote the long-term and balanced development of population.

1. Enhance Family Planning Services

We will persist in the basic state family planning policy and gradually perfect it. There is a need to perfect the priority and preferential policy system on family planning and raise families' development capabilities. We will raise the standards for family planning reward and allowance funds, for the award money of the "give-fewer-births-to-get-rich-quicker"

project, and for special subsidies, expand the scope and establish a dynamic readjustment mechanism. There will be continual promotion of the building of the population and family planning service systems, and expand the service scope. It is necessary to comprehensively manage the issue of the excessive imbalanced sex ratio at birth. Greater efforts are needed to prevent birth defects, do a good job on providing such services as health education, eugenic consultations, guidance on screening high-risk groups, pre-pregnancy health checks, and nutrient supplement, help lower the rate of defects at birth and of the growth retardation of children under the age of five. There is a need to enhance management over the family planning service of floating population.

2. Promote Women's All-Round Development

We will implement the basic state policy on gender equality; enforce women's development outline; comprehensively develop women's human resources; earnestly protect women's legitimate rights and interests; promote women's employment and starting of new business; and raise women's capabilities in participating in economic development and social management. It is necessary to enhance the work on women's labor protection, social welfare, healthcare, poverty eradication and legal assistance, perfect the gender statistical system, and improve the environment for women's development. We will harshly crack down on illegal and criminal acts of violence against women and on abducting and trafficking of women.

3. Protect Children's Priority Development

We will persist in the principle of giving priority to children, implement children development outline, and protect the children's right of existence, development right, the right to being protected, and participation right according to the law. It is necessary to improve children's growing environment, raise children's welfare level, remove discrimination against girls, and promote the physical and spiritual development of children. We need to enhance the infants' and small children's early enlightenment education and the only-child's social behavior education. We need to earnestly solve the education for children whose parents go to work in other regions, and the provision of relief for orphans, handicapped children, orphans with AIDS, and for underage homeless children. We will severely crack down on the criminal acts of abducting and trafficking of children and of abandonment of infants.

4. Deal Actively with Aging Population

We need to establish an elderly retirement service system with homes as the basis, community as the support, and organs as pillar. We will accelerate the development of social services for elderly; nurture the growth of the cause and industry for elderly; enhance the building of elderly service facilities of public interest nature; encourage non-government capital to run elderly service organs with care functions; and strive to reach the number of beds for elderly support to 30 per thousand old people. We will expand the scope of services for elderly and realize the extension of the elderly support from providing basic living care to medical health, equipment allocation, spiritual comfort, legal service, and emergency relief. There will be an increase in activity venues for elderly in communities and in provision of convenient facilities. We will develop and make use of the human resources for elderly.

5. Accelerate the Development of Handicapped People's Cause

We will perfect the social protection and service system for the handicapped, and provide stable systematic protection for the living and development of the handicapped. There will be implementation of the key rehabilitation and adoption projects, the relief and rehabilitation project for the 0-6 age group handicapped children, the "Sunshine Garden" plan, and promotion of the "everybody-enjoys-rehabilitation service" for the handicapped. We will greatly develop employment service and vocational training for the handicapped and intensify the degree of relief efforts for the production and living of the handicapped people in rural areas. We will enrich the cultural and physical education life of the handicapped. There will be establishment of a system on equipment and accessories and promotion of barrier-free building. We will formulate and implement the state's action plan to prevent disablement and effectively control the occurrence and development of disablement.

Section Nine: Look into Both Root Cause and Symptoms and Enhance and Innovate on Social Management

By adapting to the new situation of profound changes and transformation in economic system and in social structure, the deep-seated readjustment of the interest setup, and the deep changes in ideological concept, we will innovate on social management system and mechanism, enhance social management capability building, establish and perfect a socialist management system with Chinese characteristics, and ensure the society that is not only full of vitality but also harmonious and stable.

Chapter Thirty Seven: Innovate on Social Management System

We will persist in the multiple participation, joint management, coordinated, and dynamic adjustment principle, perfect social management setup, innovate on social management mechanism, and bring about a combination of force between social management and service.

1. Perfect Social Management Setup

In line with the demands of the social management setup for perfecting the party committee leadership, government's assuming responsibilities, social cooperation, and public participation, we will strengthen social management's legal, system, and capability building. We will persist in the role of the party committees as the leadership core, control overall situation, grasp the direction, integrate different forces, coordinate various parties, and raise the capabilities of guiding society, organizing society, managing society, and serving society. We will give play to the government's main guidance role, enhance social management and public service functions, build a service-type government, and raise service-type's management capabilities. We will give play to the coordinating role of mass organizations, grassroots autonomous organizations, various social groups, enterprises, and institutions, promote the standardization, professionalization, socialization, and legalization of social management. There will be extensive mobilization and organization of the masses to take part in social management according to the law and in an orderly fashion, nurturing of citizen awareness, fulfillment of citizen obligations, and realize self-management, self-service, and self-development.

2. Innovate on Social Management Mechanism

We will accelerate building a mechanism that integrates management at source, dynamic management, and emergency handling. There will be enhancement of management at source, and attaching more importance to livelihood and system building. We will persist in scientific, democratic, and lawful decision-making and preventing and reducing the occurrence of social problems. It is necessary to strengthen dynamic management, attach greater importance to equal communications and consultations, resolve the masses' legitimate and rational appeals, and timely defuse social contradictions. There is a need to enhance emergency handling, place greater emphasis on the emergency-handling capacity building, effectively deal with and properly handle sudden outbreak of public incidents, increase harmonious factors to the greatest degree, defuse negative factors, and stimulate social vitality.

Chapter Thirty Eight: Strengthen Communities' Autonomy and Service Functions in Urban and Rural Areas

We will comprehensively develop community building in urban areas, actively promote community building in rural areas, perfect the management and service system at new type of communities, and build communities into civilized and peaceful social life communities with orderly management and improved services.

1. Perfect Community Management Structure

We will perfect the grassroots mass autonomous system led by communities' party organizations, promote community citizens' democratic management of public affairs and public interest undertakings in communities according to the law, and realize the effective linkup and virtuous interaction between government's administrative management and grassroots mass autonomy. It is necessary to perfect the organizational system of neighborhood committee in communities, enhance the neighborhood committee building in communities in areas between city and countryside, in urban village, and in areas inhabited by floating population. There is a need to actively nurture social organizations of service, public interest, and mutual assistance nature in communities, give play to the positive roles of home owners committee, property management organs, and government units in communities, and provide guidance to various types of social organizations and volunteers to take part in community management and services. We need to encourage innovation on community management and service model in line with local conditions.

2. Establish Community Management and Service Platform

There is a need to perfect the grassroots management and service system, promote the downward gravitation of management, and extend the service functions of basic public services. It is necessary to standardize the development of professional service organs including the community service stations and effectively undertake the matters entrusted by grassroots governments. Guided by citizens' requirements, we will integrate management functions and service resources of population, employment, social insurance, civil affairs, public health, culture, comprehensive management of social order, stability maintenance, and the people's letters and complaints. There will be acceleration of community informatization building and establishment of the comprehensive management and service platform in communities. It is necessary to perfect the encouragement mechanism for outstanding talents to serve in communities, and promote the

professionalization of community working personnel. The building of a budget protection mechanism that integrates government investment and non-government investment will be accelerated. We will enhance the service and management of the floating population.

Chapter Thirty Nine: Enhance Social Organization Building

We will persist in attaching equal importance to development nurturing and management and supervision, promote the healthy and orderly development of social organizations and give play to their roles of service provision, of reflecting appeals and demands, and of standardizing behavior.

1. Promote Social Organization Development

We will improve social organization management, and establish a sound social organization management system marked by unified registration, by social organizations minding their own business, by coordination and cooperation, by assuming responsibilities according to classification, and by supervision according to the law. We will make key fostering and give priority to developing economic-type, public interest charity type, civilian-run non-enterprise units, and urban and rural community social organizations. We will promote the reform and development of trade associations and of chambers of commerce, strengthen self-discipline at various trades, and give play to their roles of communication between enterprises and governments. There is a need to perfect supporting policies, promote the transfer of government departments' functions to social organizations, open up more public resources and fields to social organizations, and expand the category and scope of preferential tax treatment.

2. Enhance Social Organization Supervision

We will perfect the supervision system that integrates legal supervision, government supervision, social supervision, and self-supervision. There is a need to perfect laws and regulations, and strictly exercise supervision according to the law. It is necessary to establish a supervision mechanism and management information platform for social organizations, formulate behavior standards and norms of activities for social organizations, and raise the effectiveness of government's supervision. We will implement the social organization information transparency and evaluation system, perfect the breach-of-trust punishment mechanism, and enhance social supervision. We need to provide guidance to social organizations to perfect their internal management structure and raise self-discipline.

Chapter Forty: Perfect the Mechanism for Maintaining the Masses' Rights and Interests

We will enhance and perfect the mechanism of maintaining the masses' rights and interests that is mainly led by the party and government, give shape to a scientific and effective interest coordination mechanism, an appeals and demands airing mechanism, a contradiction mediation and handling mechanism, and a rights and interests protection mechanism, and earnestly maintain the masses' legitimate rights and interests.

1. Expand the Channel to Reflect Social Situation and Air People's Views

We will perfect the public announcement system on public decision making, the public hearing system, the experts' consultation and feasibility study system, and expand the degree of public participation. There will be perfection of the people's letters and complaints work mechanism, attaching importance to the collection of people's wills and information feedback, and implement the system on leading cadres' receiving the masses' visits and handling the masses' letters and visits. It is necessary to give play to the functions of the people's organizations, trade associations, and mass media to express social interests, to the new channel role of the Internet to communicate social conditions and the people's wills, and positively and actively respond to social concerns.

2. Perfect Social Contradictions Mediation Mechanism

We will perfect the mechanism of leading coordination, removal, checking, early-warning, channeling, conversion, mediation and handling to defuse social contradictions. We will enhance the joint action of the people's mediation, administrative mediation, and judicial mediation, integrate various forces, and effectively prevent and defuse labor disputes and social contradictions triggered by land requisition, house demolition, environmental pollution, food and drug safety, enterprise reorganization and bankruptcy, and by others. There is a need to establish a social stability risk and evaluation mechanism for key construction projects and for major policy formulation. It is necessary to perfect the mass work system, rely on grassroots party and government organizations, trade administration organizations, the mass autonomous organizations, give full play to the roles of trade unions, communist youth league, and women's federations, jointly maintain the masses' rights and interests, care well the masses' concerns in various areas, and actively defuse

social contradictions.

Chapter Forty One: Strengthen Public Security System Building

To adapt to the new characteristics of the changes in the situation of public security, we will promote the building of a public security system that integrates active prevention and control and emergency handling, and that combines traditional methods with modern means.

1. Ensure Food and Medicine Safety

We will formulate and perfect the safety standards for food and medicines. It is necessary to establish a tracing system for food and medicine quality to form a safety responsibility chain that can trace the origin and check the direction of food and medicine, and that can pursue the accountability of those who are responsible. There is a need to perfect the safety and emergency handling system for food and medicine, enhance the rapid notification and rapid reaction system. We will enhance food and medicine safety and risk monitoring, evaluation, early warning, supervision and law enforcement, and raise the effectiveness and public trust of supervision. There will be continual implementation of the infrastructure construction projects for food and medicine supervision. There is a need to enhance technical support capability building on food and medicine safety including inspection checks, certification checks, and monitoring and checking of ill effects. We will strengthen grassroots rapid check and inspection capability building, integrate non-government inspection and check resources, and establish a service platform for non-government public check and inspection. We will enhance monitoring and supervision of essential medicines, and ensure the safety of medicines.

2. Enforce Safe Production Management

We will implement the enterprise production safety responsibility system, and establish a sound enterprise production safety prevention mechanism. There will be enhancement of safety monitoring and supervision capability building, strictly enforce safety target verification and accountability. It is necessary to perfect the safety technology standard system, strictly enforce safety permits. We will implement the evaluation system on treating major potential dangers, on level by level supervision, and on rectification results. We will deepen special safety project management at coal mines, and in transportation areas. It is necessary to perfect the coordination and joint-action mechanism and severely crack down on illegal production and operations. There is a need to prevent major vocational hazards including the prevention and management of dust pollution and of highly toxic materials. We will carry out sci-tech tackling on safety and embark on research and development of equipment, standardize the development of safety technical service organs, and enhance the safety technology assistance and service for small and medium-sized cities. We will enhance publicity, education, and training on safety. We will reduce the per GDP unit of industrial accident death rate to 36 percent, and the industrial accident death rate of those engaged in industrial, mining, commercial and trade sectors to 26 percent.

3. Perfect Emergency-Handling System on Sudden Outbreak of Events

We will persist in the principle of giving equal importance to both prevention and emergency response and to the integration of conventional management and unconventional management, establish a sound state emergency response system on sudden outbreak of events marked by unified command, rational structure, flexible reaction, effective logistics, and highly efficient operation, and raise the crisis and risk management capabilities. We need to have a sound emergency-response management and organizational system, perfect the contingency plan system, and enhance the grassroots units' emergency response management capabilities. We need to enhance the emergency response contingent building, establish an emergency response contingent system with the professional group as the basic force, with public security force, armed police, and the army as the backbone and task force, and experts, professional and part-time groups from enterprises and institutions and volunteers as the supplemental force, and raise the life-saving capability. There is a need to establish a sound emergency response material reservation system, enhance comprehensive management, optimize setup and methods, and make coordinated arrangements for material reservation and reservation capability. We will establish a sound emergency response educational training system and perfect the international relief mechanism in dealing with major disasters.

4. Perfect Social Order Prevention and Control System

We will persist in the principle of the integration of crackdown with prevention, of placing main emphasis on prevention, of the integration between professional personnel with the masses, and of relying on the masses; perfect the social order prevention and control system; enhance grassroots infrastructure building including community police affairs in urban and rural areas; strengthen mass prevention and mass management; and do a good job on the enforcement of punishment and on education and rectification work. There is a need to perfect and standardize security technology and

prevention work, extensively carry out the safety creation activity, and enhance the comprehensive management of social order. We will strengthen public safety facility building. We will establish state data bank on population foundation. It is necessary to enhance the settlement, relief, assistance and education, management, and medical work for special groups of people, and intensify the efforts of managing weak links in social order and in key areas. There is a need to enhance information, prevention, control, and rapid handling capabilities and increase public security and social order protection capabilities. We will enhance criminal crime early warning work, make strict prevention, crack down on various illegal and criminal activities according to the law, and earnestly protect the people's lives and their property security. It is necessary to strictly, fairly, and honestly enforce the law, raise law enforcement capability, law enforcement level, and public trust in law enforcement.

Section Ten: Inherit and Innovate and Promote Culture's Great Development and Great Thriving

We will persist in the forward direction of the socialist advanced culture, carry forward the Chinese culture, build a harmonious culture, develop cultural cause and cultural sector, meet the masses' constantly growing demands for spiritual civilization, give full play to the functions of culture in providing guidance to society, in educating the people, in promoting development, and increase national cohesiveness and creativity.

Chapter Forty Two: Raise the Nation's Civilization Quality

We will raise the nation's civilization quality in a comprehensive, sustained, and effective manner, and provide effective ideological guarantee, spiritual driving force, and intellectual support for modernization construction.

1. Build Socialist Core Value System

We will enhance the taking the path of socialism with Chinese characteristics and realize the ideal and conviction education of the great invigoration of the Chinese nation, greatly carry forward the nationalist spirit with patriotism as the core and the spirit of the times with reform and innovation as the core, and strive to practice the socialist concept of honor and disgrace. We will advocate patriotism, abiding by the law, professional dedication, integrity, hardworking and thriftiness, and establish ethical and behavior standards that inherit and carry forward the Chinese traditional virtues, that is in line with the demands of socialist spiritual civilization, and that is adapted to the ethics and behavior standards of socialist market economy. We will promote in depth social ethics, professional ethics, family virtue, and personal virtue building.

2. Expand Spiritual Civilization Creation Activity Among the People

We will carry forward scientific spirit, enhance humanity care, attach importance to psychological counseling, and nurture a social mentality that is enterprising, rational, peaceful, open, and tolerant. We propose cultivating moral character and self-discipline, showing respect to the elderly and caring for the very young, working hard, living plainly, and help nurture a "one for all and all for one" social atmosphere. It is necessary to enhance professional integrity, support innovation and the start of new business, encourage the people to get rich through hard working, and give play to group spirit. There is a need to extensively carry out volunteer services, and establish a sound social volunteer service system.

3. Create an Excellent Social and Cultural Environment

There is a need to protect the physical and mental health of youngsters and create a space for their healthy growth. We will step up the construction of cultural activity facilities for youngsters, produce even more cultural works that are popular with youngsters and that can help them increase intellectual depth and their virtues, and extensively carry out various cultural and sports activities oriented toward youngsters. There is a need to actively advocate business culture building, deepen the civilized city creation activities, and promote the village style and civilization building in rural areas. Supervision of cultural market will be earnestly enhanced. Dissemination of illegal and harmful information will be effectively stopped. We will utilize economic, educational, legal, administrative, and public opinion means in an all-round manner to guide the people to know what is honor and what is disgrace, to stand for righteousness, to fulfill obligations, so that the social customs of supporting right causes and eradicating evil things, punishing evil things and spreading good deeds can take shape.

Chapter Forty Three: Promote Cultural Innovation

It is necessary to adapt to the new changes and new demands of the masses for cultural needs, highlight the central themes of the times, advocate diversity, so that spiritual civilization products and social and cultural life will be even more colorful.

1. Innovate on Cultural Contents and Forms

We will, based on the practices of contemporary China, inherit and carry forward the outstanding national culture, borrow the results of world civilization, reflect on the people's principal status and real life, create even more exquisite cultural products that elicit deep thinking, that are sophisticated in artistic expression, and that are popular with the masses. We will support major cultural projects that reflect the nation's special characteristics, and that meet the state standards, study the establishment of a national arts fund, and raise the quality of cultural products. There is a need to promote innovation in academic systems, academic views, and in sci-tech methods, greatly promote the innovation system building of philosophy and social sciences, implement the innovation projects on philosophy and social sciences, and develop and make philosophy and social sciences thrive.

2. Deepen Cultural System and Mechanism Reform

It is necessary to accelerate the promotion of the reforms at cultural institutions with public interest nature, explore the establishment of a legal person management structure at institutions, and innovate on public culture service operation mechanism. We will deeply promote the transformation of business-type cultural units into enterprises, and establish a modern enterprise system. There is a need to perfect and unify the modern cultural market system that is open, competitive, and orderly, and promote the rational flow of cultural products and cultural factors within an even greater scope. We will accelerate the promotion of cultural management system reforms. We need to establish and perfect the management system and operation mechanism for state-owned cultural assets that are in line with cultural enterprises' special characteristics. We will accelerate and perfect copy rights-related legal policies and systems, raise copy rights' law enforcement and supervision capability, and harshly crack down on acts of copy rights infringement and on piracy.

Chapter Forty Four: Develop and Make Cultural Cause and Cultural Sector Thrive

We will persist in attaching importance to cultural cause with public interest nature on the one hand, and on the other hand, place importance on business-type cultural sector, always give priority to social effects and realize the organic unity between economic effects and social effects.

1. Greatly Develop Cultural Undertaking

We will enhance public cultural products, services, and supplies. The general public will have free access to public museums, libraries, cultural halls, memorial halls, art exhibition halls, and to other public cultural facilities. We encourage and support the creation and production of ethnic groups' cultural products. There is a need to pay attention to meeting the public cultural service needs of special groups of people including the handicapped people. We need to establish a sound public culture service system. We will continue to carry out the project to benefit the people with culture, with an emphasis on grassroots units in rural areas and on central and western regions. There will be improvement of the cultural infrastructure facilities in rural areas and support for the construction and transformation of cultural service networks in old revolutionary areas, in areas inhabited by minority ethnic groups, in border areas, and in impoverished areas. It is necessary to perfect community cultural facilities in urban areas and promote the integration and comprehensive utilization of grassroots cultural resources. Cultural activities among the masses will be extensively carried out. We will enhance the construction of key news media, attach importance to the construction, utilization and management of emerging media including the Internet, grasp the correct direction of public opinion, and raise the dissemination capability. It is necessary to enhance the protection of cultural relics, of famous historic and cultural cities, townships, and villages, of non-material cultural heritage and nature heritage, and expand the channels for inheriting, carrying forward and utilization of cultural heritage. We will promote the language work according to the law. We will establish a state cultural and arts honor system.

2. Accelerate Cultural Sector Development

It is necessary to make cultural industry a pillar industry of the national economy and increase the overall strength and competitiveness of the cultural sector. There is a need to implement the carry-on effect strategy of major cultural industrial projects, and enhance the construction of cultural industrial bases and the building of cultural industrial clusters with special regional characteristics. We will promote the readjustment of the structure of cultural industry, and greatly develop key cultural industries including cultural innovation, video production, publication, printing and reproduction, performing and entertaining arts, digital contents, and animation; nurture key bone enterprises; support small and medium -sized enterprises; encourage cultural enterprises to engage in cross-region, cross-trade, cross-ownership operations and reorganizations; and raise the scale, intensification, and professional level of the cultural industry. We will promote the transformation and upgrading of cultural industry; the innovation of culture, science and technology; study

and formulate the technical standards for cultural industry; and raise technical and equipment level; transform and upgrade traditional industries; and nurture and develop emerging cultural industry. We will step up the construction of movie theaters in small and medium-sized cities in central and western regions. We encourage and support the entry of non public-owned economy into cultural industrial areas in various forms, so that an industrial setup with the public ownership as the main form of ownership and the joint development of other forms of ownership will gradually take shape. There is a need to establish an open-up setup in which outstanding national culture is the main stay, and which absorbs beneficial foreign culture. We will positively explore international cultural market, innovate on the culture's "go global" model, enhance the Chinese culture's international competitiveness and impact, and raise the state's soft power.

Section Eleven: Tackling Reform Tasks and Perfect Socialist Market Economic System

We will, with an even greater determination and courage, promote reforms in various fields in an all-round manner; attach an even greater importance to the supra-level design and overall planning of reforms; define the priority order and key tasks of reforms; deepen comprehensive complementary reform experiments; further mobilize the initiative of various parties; show respect to the masses' innovative spirit; greatly promote economic structural reforms; actively and steadily promote political structural reforms; accelerate the promotion of the reforms of cultural structure and social structure; and strive to achieve breakthrough progress in important areas and in key links.

Chapter Forty Five: Persist in and Perfect Basic Economic System

We will persist in the basic economic system of public ownership as the main form of ownership, with other forms of ownership developing simultaneously, and create a system environment in which various forms of ownership can equally utilize factors of production according to the law, take part in fair market competition, and enjoy the same equal legal protection.

1. Deepen State-Owned Enterprise Reforms

We will promote the strategic readjustment of state-owned economy, perfect the mechanism that enables the entry and exit of state assets as well as the rational flow of the state assets, and bring about a situation in which the state assets will concentrate in the direction of major trades and key areas that have a bearing on the state's security and on the lifeline of the national economy. We will make eligible large state-owned enterprises to become listed on stock exchange. As for non-eligible large state-owned enterprises, they will have to accelerate the shareholding diversification reform. There is a need for large solely state-owned enterprises to accelerate the corporate system reform, and perfect the enterprise legal person management structure. We will promote structural reforms at railways, salt industry, and other sectors, and realize the separation between the functions of government from those of enterprises and the separation between governmental functions and asset management function. We will deepen the electric power structural reform, and steadily carry out pilot projects on the separation between power transmission and power allocation. There will be continual promotion of the reforms at telecommunications, oil, civil aviation sectors, and of the reforms of the public works of municipal governments. It is necessary to steadily promote the management structure reforms at state-owned forest ranches and state-own forest zones. We will deepen reforms of monopoly trades, further ease market access, so as to create a market setup for effective competition.

2. Perfect State-Owned Assets Management Structure

There is a need to persist in the separation of government's public management functions from those of the capital providers of state-owned assets, and perfect the structure and mechanism of the business-type state-owned assets management and of the state-owned enterprise supervision. We will explore the classified management of the state-owned enterprises of public interest nature and of competitive nature. The state-owned assets operational budget and revenue sharing system marked by classified management and that covers all the state-owned enterprises needs to be perfected. There will be rational distribution and utilization of state-owned assets revenue. There is a need to perfect the supervision structure for state-owned financial assets, administrative unit assets, and natural resources assets.

3. Support and Provide Guidance for Development of Non-Public-Owned Economy

There is a need to remove the systematic obstacles that constrain the development of non public-owned economy, and comprehensively implement the policies and measures on promoting the development of non public-owned economy. We will encourage and provide guidance to private capital to enter trades and domains that are not specifically forbidden by laws and regulations. There is a need for openness and transparency in market access standards and in preferential and supporting policies. It is forbidden to specifically set additional conditions for private capital. We encourage and will guide non public-owned enterprises to participate in the transformation and re-organization of state-owned enterprises through share participation, through controlling shares, through acquisitions and mergers, and through other ways. There will be

perfection of the legal system for the development of non-public ownership economy. We will perfect the legal system to encourage the development of non-public-owned economy. We will optimize the external environment and enhance services, guidance, and standardize management for non public-owned ownership enterprises. It is necessary to improve financial services for private investment and earnestly protect the legitimate rights and interests of private investment.

Chapter Forty Six: Promote Administrative Structural Reform

In line with the demands of transforming functions, smoothing out relation, optimizing structure, and raising efficiency, we will accelerate the building of a government that is ruled by law and the building of a service-type government.

1. Accelerate the Transformation of Government Functions

There is a need to perfect government responsibility system, raise the level of economic regulation and market supervision, and enhance social management and public service functions. We will accelerate the promotion of the separation of the functions of the government from those of enterprises; the separation between governmental functions and assets management functions; the separation between government and non-government functions; the separation between the government and the market intermediary organizations; readjust and standardize government management affairs; deepen the reforms of the administrative review and approval system; and reduce the government's interference in micro economic activities. We will continue to optimize government structure, administrative level, functions, and responsibilities, resolutely promote the reforms of the super ministry system, concentrate our efforts on resolving the issues of overlapping organs, overlapping functions and responsibilities, and the problem of conflicting policies. In regions where conditions permit, we will explore the structure of provinces assuming direct management over counties (cities). There is a need to perfect the public functionary system. We will deepen the reforms of management structure at various levels of government organs, and reduce administrative costs.

2. Perfect Scientific and Democratic Decision-Making Mechanism

We need to perfect the major event decision-making mechanism, establish sound decision-making procedures with public participation, expert consultations, risk evaluation, legitimacy review, and decision by collective discussion, and implement scientific decision-making, democratic decision-making, and decision-making according to the law. On major events that have a bearing on the overall situation of social and economic development, we need to extensively solicit opinions and make full consultations and coordination. On major issues that are of strong professional and technical nature, we need to earnestly ask experts to make feasibility studies, carry out technical consultations, and decision evaluation. On major issues that are closely related to the interests of the masses, it is necessary to implement the public announcement and public hearing systems. There is a need to enforce administration according to the law, perfect the administrative law enforcement structure and mechanism, and perfect the administrative review and administrative litigation system.

3. Promote Government Performance Management and Administrative Accountability System

It is necessary to establish a scientific and rational government performance evaluation and target system and an evaluation mechanism, practice internal checks and a method that combines public evaluation and expert evaluation, and give play to the guidance and encouragement role of the performance evaluation on promoting scientific development. There is a need to perfect the supervision system on administrative powers. We will enforce auditing supervision. We will promote administrative accountability system; define the scope of accountability; standardize accountability procedures; perfect the responsibility system and mistake rectification mechanism, and raise the government's enforcement power and public trust.

4. Accelerate Classified Reforms at Institutions

In line with the demands of the separation between government and non-government functions, the separation between institutions and enterprise, the separation between management and operations, and the separation between business operation and non-business operation, we will actively and steadily promote the classified reforms at sci-tech, educational, cultural, public health, and physical education institutions. There is a need to strictly define standards and scope. The administrative functions of an institution which mainly assumes administrative functions will be assigned to administrative organs or be transferred to administrative organs. It is necessary to standardize the transfer process, perfect transition policy, and those institutions that mainly engage in business activities will be gradually turned into enterprises. We will establish a sound legal person management structure. Remaining institutions should enhance their public interest nature and promote reforms of personnel management, of state-owned assets, and of financial support methods.

Chapter Forty Seven: Accelerate Fiscal and Taxation Structure Reforms

We will smooth out the financial distribution relationship between various levels of government, perfect the public finance structure, improve budget system and tax collection system, and actively establish a fiscal and taxation structure that is conducive to the transformation of the economic development model.

1. Deepen Financial Structure Reform

In line with the demands for a match between financial power and administrative power, and on the basis of rationally defining powers, we will further smooth out the financial distribution relationship between various levels of governments, and perfect the tax-sharing system. Surrounding the promotion of the equal provision of basic public services and the construction of major-functions oriented zones, we will perfect the transfer payment system, increase the payment scale and ratio of general purpose transfer payment, balanced transfer payment in particular, and reduce and standardize special transfer payment. We will promote financial structure reforms below the provincial level, steadily promote the management system reforms of province's assuming direct management of county financial system, and enhance the financial guarantee of provincial-level governments in providing basic public services. There will be establishment of a sound debt management system for local governments, and exploration of the establishment of a system for local governments to issue bonds.

2. Perfect Budget Management System

There is a need to implement a full-covered budget management, perfect public financial budget, work out a detailed government fund budget, perfect state-owned assets operation budget, study the formulation of social protection budget on the basis of perfecting social insurance fund budget, and establish a sound government budget structure marked by organic linkup. It is necessary to perfect a system on budget compilation, execution, and management, enhance constraints on budget expenditure and supervision over budget execution, perfect the budget opening mechanism, and increase the degree of budget transparency. There is a need to deepen reforms on the systems on departmental budgets, on state treasury's concentrated collection and payment, on government procurement, and on national debt management. We will further promote government accounting reforms, and gradually establish a government financial report system.

3. Reform and Perfect Tax Collection System

In line with the principle of optimizing the taxation structure, of equally sharing the tax burden, of standardizing the distribution relations, and of perfecting the allocation of tax rights, we will perfect the taxation system structure, and enhance the tax collection legal system building. We will expand the collection scope of value added tax, and reduce the collection of corporate tax and other taxes correspondingly. There will be rational readjustment of collecting consumption tax, of tax rate structure, and of tax collection procedures. A sound personal income tax system that combines comprehensive and classified tax collection will be gradually established, and the mechanism on collecting and managing personal income tax will be perfected. It is necessary to continuously promote the tax-for fee reform, promote the reforms of resources tax and arable land occupation tax in an all-round manner, and study the promotion of the reforms of property tax. Local tax structure will be gradually perfected. Provincial-level governments will be given appropriate right on managing taxation affairs.

Chapter Forty Eight: Deepen Financial System Reform

We will comprehensively promote financial reform, opening, and development, establish and organize a financial structure that is diverse, that offers highly efficient services, that exercises prudent monitoring and management, and that can control risks, constantly enhance the functions of financial market, and provide better services to accelerate the transformation of the economic development model.

1. Deepen Financial Organ Reform

There will be continual deepening of the reforms of the large financial organs that the state has a controlling stake, perfection of the modern financial and enterprise system, strengthening of internal management and risk management, and raising of innovative development capabilities and international competitiveness. We will continuously deepen the reforms at the China Development Bank, promote the reforms at the Export-Import Bank of China, at the China Export & Credit Insurance Corporation, study the promotion of the reforms at the Agricultural Development Bank of China, and continue with the promotion of the reforms at the Postal Savings Bank of China. We will build a savings deposit insurance

system. There will be promotion of the standardized development of securities and futures operation organs. There is a need to enhance the innovative service capabilities and the internal risk control capabilities at insurance organs, strengthen the supervision and management of insurance sector's compensation payment capabilities, deepen the reforms of the management structure on the utilization of insurance funds, and steadily raise the operational level of funds. It is necessary to promote the commercialized transformation of financial assets management companies. We will positively and steadily promote the pilot projects on comprehensive operations of financial sector.

2. Accelerate Multi-Level Financial Market Structure Building

We will greatly develop the financial market, continue to encourage financial innovation, and significantly raise the ratio of direct financing. It is necessary to expand the breadth and depth of the monetary market and increase the functions of liquidity management. There is a need to deepen the market-based reforms of the stock issuance and review system; standardize the development of the main board and small and medium-board markets; promote the start-up board market building; expand the pilot project on proxy stock transfer system; accelerate the development of the over-the-counter market; and explore the establishment of an international board market. We will actively develop the securities market, perfect the issuance management system, promote the innovation and diversification of the securities varieties, and steadily promote the turning of assets into securities. We will promote the development of the futures and financial derivatives markets. It is necessary to promote the healthy development of start-up investment and of stock right investment, and standardize the development of the privately-offered fund markets. Market's infrastructure building will be strengthened. Market laws and regulations will be perfected. The promotion of the development of assets management, and of the foreign exchange and gold markets will be continuously promoted.

3. Perfect Financial Regulation Mechanism

We will optimize the target structure of monetary policy, perfect the monetary policy's decision making mechanism, and improve the conduction mechanism and environment of monetary policies. There is a need to establish a reverse cycle macro-prudential management system framework and set up a sound prevention, early-warning, evaluation system, and handling system and mechanism against systematic financial risks. We will steadily promote the market-based interest rate reforms, and enhance the money market's benchmark interest rate structure building. There is a need to perfect the managed floating exchange rate system based on market supply and demand, promote the reforms of the foreign exchange management structure, expand the RMB's cross-border settlement, and gradually realize the convertibility of RMB under capital account. We will improve the operation and management of foreign exchange reserves, expand the utilization channels, and raise the earnings level.

4. Enhance Financial Supervision

We will perfect the financial supervision structure mechanism, enhance financial supervision coordination, and perfect the coordination mechanism between financial supervision organs and between macro regulation and control departments. We need to perfect local governments' financial management system, strengthen local governments' risk handling responsibility of local small and medium-sized financial organs. There is a need to formulate cross-sector and cross-market financial supervision regulations, and enhance supervision over major financial organs. We will perfect financial laws and regulations. There will be acceleration of non-government credit system building and the standardization development of credit rating organs. We will take part in the revision of international financial norms, and perfect the stability standards of our country's financial sector. We will enhance international cooperation with international organizations and with foreign supervision organs. Efforts will be made to maintain the country's financial stability and security.

Chapter Forty Nine: Deepen Resource-Type Product Price and Environmental Protection Fee Collection Reform

We will establish a sound resource-type product price formation mechanism that can flexibly reflect the market supply and demand relations, the degree of resources shortage, and the cost of environmental damage; promote structural readjustment, resources conservation and environmental protection.

1. Perfect Resource-Type Product Price Formation Mechanism

We will continue to promote water price reform, perfect the price policies on water resources fees, on water conservancy projects' water supply prices and on city water supply prices. We will actively promote the electricity price reforms, promote the direct transaction with big power users and the pilot online price bidding, perfect the electricity transmission and allocation price formation mechanism, and reform the classified structure of electricity sales prices. There is a need to earnestly promote the ladder-price system for citizens' utilization of electricity and water. There will

be further perfection of the finished oil product price formation mechanism, and active promotion of the market-based reforms. We will smooth out the price relations between natural gas and alternative energy. In line with the joint mechanism of prices, taxes, fees, and rents, we will appropriately raise the resource tax burden, perfect the calculation and collection method, change the collection of taxes on major resource products from collection by set volume to collection by set price, and promote the rational development and utilization of resources.

2. Promote Environmental Protection Fee Collection System Reform

We will establish a sound "who pollutes who pays" system, and increase the collection rate of pollution removal. The collection method of garbage disposal fee will be reformed. We will appropriately increase the standards of garbage handling fees and the financial subsidy level. It is necessary to perfect the waste water handling fee collection system. There will be active promotion of the reform of the collection of environmental taxes and fees. We will start collecting environment protection tax by selecting tax items with heavy prevention tasks and with mature technical standards, and gradually expand the scope of collection.

3. Establish a Sound Resources Environment Property Right Trading Mechanism

We will introduce a market mechanism, and establish and perfect the compensated utilization and trading system of mining rights and pollution rights. We need to standardize and develop the mine prospecting right and mine exploitation right trading market, develop the pollution rights trading market, standardize the behavior of pollution rights trading price, perfect laws and regulations and policy system, and promote the orderly transfer and open, fair, and just transaction of resources environmental property rights.

Section Twelve: Create a Mutually Beneficial and Win-Win Situation and Raise Opening-Up Level

To adapt to our country's new situation in opening up of shifting from mainly exporting goods and attracting foreign capital to give equal attention to imports and exports, attract foreign capital and investment in overseas, we must implement an even more positive and active open-up strategy, constantly expand new open-up areas and spaces, expand and deepen the converging point of interests with various parties, perfect structures and mechanisms that are even more adapted to the requirements of developing an open-type economy, effectively prevent risks, and promote development, reforms, and innovation with opening up.

Chapter Fifty: Perfect Regional Opening-up Setup

We should persist in the integration between the expansion of opening up and the coordinated development of regions, cooperate in promoting the development in coastal regions, in hinterland, in border regions, and help form a regional opening-up setup characterized by complementing of each other's advantages, by a division of labor, by cooperation, by being balanced and coordinating.

1. Deepen Coastal Region Opening up

We will comprehensively raise the development level of the open-type economy in coastal regions, and accelerate the transformation from being a global processing and assembling base to an advanced manufacturing and service base. We will take the lead in establishing a management structure and operation mechanism that is adapted to internationalization, and enhance the soft power of regional and international competitiveness. It is necessary to promote the opening up of service sector and the development of international service trade, and attract the convergence of the factors of international service sector. We will deepen the development and opening up of various special economic zones including the one in Shenzhen, the Shanghai Pudong New Area, the Tianjin Binhai New Area, and accelerate the construction of the Shanghai international economic, financial, navigation, and trade centers.

2. Expand Hinterland Opening up

By relying on city centers and city clusters, and with various development zones as the platform, we will accelerate the development of open-type economy in hinterland. There is a need to give play to the relative advantage in resources and labor force; optimize the investment environment; expand the advantageous investment areas for foreign businesses; positively take over the relocation of international industrial sector and coastal industrial sector; nurture and form several international processing and manufacturing bases and service outsourcing bases. We will promote the development and opening-up of the Chongqing Liangjiang New Area.

3. Accelerate Border Region Opening up

It is necessary to give play to the geological advantages of border regions, formulate and implement special opening-up policies, accelerate the construction of economic cooperation zones and key development and opening up experimental zones at key ports, border cities, borders (cross-border), enhance the infrastructure connection with neighboring countries, develop export-oriented industrial groups and industrial bases with special characteristics that are geared toward neighboring countries, build Heilongjiang, Jilin, Liaoning, Nei Monggol into important hubs for the opening up to Northeast Asia, build Xinjiang into an important base for the opening up to the western regions, build Guangxi into a new high ground for cooperation with the ASEAN, build Yunnan into a key bridge head for the opening up to Southwest regions, and constantly raise the opening-up level of border regions.

Chapter Fifty One: Optimize External Trade Structure

We will continue to stabilize and expand foreign demands, accelerate the transformation of the external trade development model, and promote the transformation of the external trade development from scale expansion to the raising of quality and efficiency, from cost advantage to comprehensive competitive advantage.

1. Nurture New Advantages in Export Competition

We will strive to maintain existing advantages in export competition and accelerate the nurturing of new advantages with technologies, brand names, quality, and services as the core competitiveness. We will raise the quality and grades of the labor intensive export products, expand the exports of mechanical and electrical products and of new and high-tech products, and strictly control the export of products that require high energy consumption, that are highly polluted, and that consume lots of resources. There will be perfection of policies and measures, promotion of the expansion of processing trade from assembling and processing to research and development, designing, core component manufacturing, and to commodity distribution, and extension of the domestic value-added chain. We need to perfect the policies and functions in the customs' special supervision areas, encourage enterprises engaging in processing trade to concentrate in the customs' special supervision areas. We encourage enterprises to establish international marketing network, and raise the capabilities of opening up international market. We will actively open up emerging market and promote the diversification of the import and export markets.

2. Raise Import's Comprehensive Effect

We will optimize the import structure, actively expand the imports of advanced technologies, key components and parts, resources that are in shortage at home, and of energy-saving and environment friendly products, appropriately expand the imports of consumption goods, give play to the important role of imports to the balance and structural readjustment of the macro economy, and optimize the trade balance structure. There is a need to give play to the attractiveness and impact of our country's huge market scale, and promote the diversification of the country sources of imports. We will perfect the import and export regulation and control mechanism on major agricultural products and effectively use international resources.

3. Greatly Develop Service Trade

We will promote the export of service trade, expand the opening up of service sector, and raise the ratio of the service trade in external trade. While stabilizing and expanding the export of such traditional service trade as tourism, transportation, and labor, we will strive to expand the export of such emerging service trade as culture, traditional Chinese medicine, software, information service, commerce and trade circulation, and financial insurance. There is a need to greatly develop outsourcing services, and establish several outsourcing service bases. There will be the expansion of the opening up of finance, freight forwarding, and other service trades, the steady opening up of educational, medical, physical education areas, the introduction of excellent resources, and the raising of the international level of service sector.

Chapter Fifty Two: Work out Overall Planning for the Strategy of "Attracting Foreign Investment" and of "Going Global"

We will persist in the integration of the "attracting foreign investment" and "going global" strategy, give equal emphasis on the utilization of foreign capital and on investment in foreign countries, and raise the capabilities of the safe and highly-efficient utilization of the two markets and the two resources

1. Raise Foreign Capital Utilization Level

We will optimize structure, provide guidance to foreign capital to invest even more in modern agriculture, new and high

technologies, advanced manufacturing, energy conservation and environment protection, new energies, modern service sector, and in other areas, and encourage the investment in central and western regions. We will enrich methods and encourage foreign capital to take part in the mergers and reorganization of domestic enterprises through share holding, acquisitions and mergers, and other methods, and promote the development of foreign equity investment and start-up investment. We will introduce high-level talents and advanced technologies from overseas, encourage foreign-funded enterprises to set up research and development centers in China, borrow international advanced management concepts, systems, experiences, and actively merge into the global innovation system. It is necessary to optimize the soft investment environment and protect the legitimate rights and interests of investors. There is a need to do a good job on the security review of foreign-funded mergers and acquisitions. We will utilize foreign preferential loans and international commercial loans in an efficient manner, and perfect the external debt management.

2. Accelerate "Go Global" Strategy Implementation

In line with the principle of market orientation and of enterprises' independent decision-making, we will provide guidance to various ownership enterprises to engage in overseas investment cooperation in an orderly fashion. We will deepen international energy resources development and mutually beneficial processing cooperation. We will support technical research, development, and investment cooperation in overseas, encourage advantageous manufacturing enterprises to carry out effective investment in overseas, and create international sales and marketing network and name brand products. There is a need to expand international agricultural cooperation, develop overseas engineering project contracting and labor cooperation, and actively carry out cooperation projects that help improve the livelihoods of local people. It is necessary to gradually develop our country's large transnational companies and transnational financial organs and raise the internationalized operations level. We need to do a good job on the study of overseas investment environment, and enhance the scientific evaluation of investment items. We will raise the comprehensive coordination capabilities, perfect the trans-departmental coordination mechanism, and enhance the macro guidance and service in implementing the "go global" strategy. There is a need to accelerate the perfection of laws, regulations, and systems related to investment in overseas, actively sign multilateral and bilateral agreements including agreements on investment protection and on double-taxation avoidance. We will accelerate the perfection of the laws, regulations, and systems on promoting investment in overseas, raise the convenient degree of enterprises' investment in overseas, help maintain our country's rights and interests in overseas, and prevent various risks. When engaging in cooperation projects in overseas, "go global" enterprises should fulfill their social responsibilities and bring benefits to local people.

Chapter Fifty Three: Actively Participate in Global Economic Management and Regional Cooperation

We will expand exchanges and cooperation with developed countries, increase mutual trust and raise cooperation level with them. We will deepen good neighborly, friendly and pragmatic cooperation with neighboring countries, maintain regional peace and stability, and promote common development and prosperity. There will be enhancement of unity and cooperation with developing countries, deepening of traditional friendship, and maintenance of common interests. It is necessary to actively carry out multilateral cooperation. We will promote international economic structure reforms and promote the development of international economic order in an even fairer and rational direction. We will actively cooperate with the G-20 and others on global economic management mechanism, promote the establishment of a balanced, universal, and win-win multilateral trade structure, and oppose various forms of protectionism. We will actively promote international financial structure reforms, and promote the rationalization of the international monetary system. There will be enhancement of macro-economic policy coordination with major economic entities. We will actively take part in the formulation and revision of international rules and standards, and play an even greater role in international economic and financial organizations.

We will accelerate the implementation of the free trade zone strategy, further enhance the economic ties with major trading partners, and deepen the pragmatic cooperation with emerging market countries and developing countries. We will make use of various international regional and sub-regional cooperation mechanisms including the Asia-Pacific Economic Cooperation to enhance the regional cooperation with other countries and regions. The South-South cooperation will be strengthened. We will optimize the foreign assistance structure, innovate on foreign aid methods, and increase economic and technical assistance to developing countries in the areas of livelihood and welfare projects, of social public facilities, independent development capability building.

Section Thirteen: Develop Democracy and Promote Socialist Political Civilization Building

We will persist in the Party leadership, in making the people the master of their own country, in the organic unity of administering the country according to the law, in developing socialist democratic politics, and in building a socialist country ruled by law.

Chapter Fifty Four: Develop Socialist Democratic Politics

We will persist in the perfecting of the people's congress system, the multi-party cooperation and political consultations system under the leadership of the Communist Party of China, in the autonomous system in ethnic areas, in the autonomous system for the grass-roots masses, and constantly promote the self-perfection and development of socialist political system. We will perfect democratic system, enrich democratic forms, expand democratic channels, practice democratic elections, democratic decision-making, democratic management, democratic supervision according to the law, protect the people's right to know, right to participation, right to expression, and right to supervision. We support the people's congresses on fulfilling their functions and powers according to the law. We will consolidate and fortify the most extensive patriotic united front. We will support the people's consultative conferences on fulfilling their functions and powers by surrounding the two main themes of unity and democracy. We will support trade unions, communist youth leagues, women federations, and other mass organizations to carry out their work according to the law and to their respective constitutions, and participate in social management and public services. There is a need to implement the Party's and the state's ethnic policies, protect the legitimate rights and interests of ethnic minority groups, carry out the national unity propaganda education and creation activities, and consolidate and develop the equal, united, mutual-assistance, and harmonious socialist ethnic relations. It is necessary to comprehensively implement the Party's basic principle on religious work, and give play to the positive roles of personages in religious circles and of the religion-believing masses in promoting social and economic development. Personages of new social class are encouraged to involve in socialist construction with Chinese characteristics. We need to do a good job on overseas Chinese work, and support Chinese in overseas and family members of returned overseas Chinese to show care and participate in the motherland's modernization construction and in the great cause of the motherland's modernization construction and peaceful reunification.

Chapter Fifty Five: Comprehensive Legal System Building Promotion

We will comprehensively implement the basic strategy of administering the country according to the law, persist in scientific and democratic law legislation, and perfect the legal system with special socialist characteristics. We will place main emphasis on the legislation of laws related to the enhancement of the acceleration of the transformation of the economic development model, the improvement of the people's livelihood, the development of social causes, and the government's self-building. There will be strengthening of the implementation of the Constitution and laws, and the maintenance of the unity, dignity, and authority of socialist legal system. There is a need to perfect the mechanism of linking the administrative law enforcement with criminal justice, and promote administration according to the law and just and honest law enforcement. It is necessary to deepen judicial structure reforms, optimize the allocation of judicial powers and functions, standardize judicial behavior, and establish a fair and highly efficient and authoritative socialist judicial system. We will implement the "Sixth Five-Year Plan on Legal Popularization," carry out in-depth legal system propaganda education, establish socialist rule-by-law ideas, carry forward the rule-by-law spirit, and help create an excellent social atmosphere in which everyone studies laws and abides by laws. We will enhance legal assistance, human rights protection, and promote the comprehensive development of the human rights cause.

Chapter Fifty Six: Enhance Anti-Corruption and Clean Government Building

We will persist in putting the people first, administering the government for the people, and by stressing the maintenance of the blood and flesh ties with the masses earnestly, promote the political work style building. There is a need to persist in the principle of treating the root cause and symptoms, of engaging in comprehensive management, of giving equal importance to punishment and prevention, and of attaching importance to prevention. By stressing the perfection of the punishment and corruption prevention system, we will enhance anti-corruption and clean-government building. We will strictly implement the clean-government building responsibility system. It is necessary to enhance leading cadres' integrity and self-discipline and strict management, and seriously implement the regular report system on leading cadres' incomes, real estate, investment, and on the employment situation of their spouses and sons and daughters. There will be in-depth promotion of reforms and of system innovation, and gradually establish an anti-corruption and clean-government building system with scientific contents, strict procedures, complete complementary measures, and with effectiveness. We will establish a sound power structure and operation mechanism which not only has mutual constraints between decision-making right, enforcement right, and supervision right but also are mutually coordinated; actively promote transparency in political affairs and economic responsibility auditing; and enhance the constraints and supervision on the operation of powers. We will intensify the work on investigating into discipline-breaching and law-breaking cases. We need to carry out corruption prevention work in social areas. We will enhance international exchanges and cooperation to combat corruption.

Section Fourteen: Deepen Cooperation and Build Chinese Nation's Common Home

Proceeding from the fundamental interests of the Chinese nation, we will promote the practice of "one country, two systems" and the great cause of the motherland's peaceful reunification, deepen the economic and trade cooperation between hinterland and Hong Kong and Macau, promote the development of economic relations between the two sides of the Strait, and make joint efforts to realize the great invigoration of the Chinese nation.

Chapter Fifty Seven: Maintain Long-Term Prosperity and Stability in Hong Kong and Macau

We will unwaveringly implement the high degree of autonomous principle of "one country, two systems," of "Hong Kongers administering Hong Kong," and of "Macau people ruling Macao," strictly manage things according to the basic laws of the special administrative zones, and fully support the chief executives and governments of the special administrative zones to administer their areas according to the law. We support Hong Kong and Macau to continuously give play to their important roles in the nation's overall development.

1. Support Hong Kong and Macau to Consolidate and Increase Their Competitive Advantages

We will continue to support Hong Kong's development of financial, navigation, freight forwarding, tourism, specialized service, information, and other high value added service sector; support Hong Kong's development into an offshore RMB center and an international asset management center; and support Hong Kong's development into a high-value goods inventory management and regional distribution center. There is a need to consolidate and raise Hong Kong's international financial, trade, navigation center status, and increase its global impact as a financial center. We support Macau's construction of a world tourism and leisure center, and acceleration of the establishment of a commercial and trade cooperation and service platform between China and Portuguese-speaking countries.

2. Support Hong Kong's and Macau's Fostering of Emerging Sectors

We support Hong Kong's and Macau's efforts to increase industrial innovation capabilities, accelerate the fostering of new economic growth points, and promote coordinated economic and social development. We support Hong Kong's development of its advantageous sectors in environmental protection, medical service, educational service, inspection and certification, sci-tech innovation, and cultural innovation areas, expansion of cooperation areas and service scope. We support Macau's efforts to appropriately diversify its economy, accelerate leisure and tourism development, convention and exhibition, Chinese traditional medicines, educational service, cultural innovation, and other sectors.

3. Deepen Economic Cooperation Between Hinterland and Hong Kong and Macau

We will enhance the exchanges and cooperation between hinterland and Hong Kong and Macau, and continue to implement even closer economic and trade arrangements. There is a need to deepen the cooperation between Guangdong, Hong Kong, and Macau, implement the cooperation framework agreements between Guangdong and Hong Kong, between Guangdong and Macau, promote the common development of regional economy, and create world-class city groups with even more comprehensive competitiveness. We support the building of a financial cooperation zone with Hong Kong's financial system as the head, and the Zhujiang Delta city financial resources and service as the support; the establishment of a world's advanced manufacturing and modern service base; the construction of a modern freight forwarding economic circle; Guangdong's path-finding and pioneering role in opening up its service sector to Hong Kong and Macau and the gradual expansion of the path-finding and pioneering measures to other regions. There will be accelerating the pace of jointly building a Guangdong, Hong Kong, and Macau quality life circle. We will enhance planning and coordination, and perfect the transportation system between the Zhujiang Delta region and Hong Kong and Macau. There will be enhancement of the exchanges and cooperation between hinterland and Hong Kong and Macao in cultural, educational, and in other areas.

Chapter Fifty Eight: Promote Cross-Strait Relations Peaceful Development and Great Cause of Motherland's Reunification

We will persist in the "peaceful reunification and one country, two system" principle and the eight-point call on developing the current stage of cross-Strait relations and on promoting the process of the motherland's peaceful reunification, in comprehensively implementing and promoting the important thinking and the six-point opinions on the peaceful development of cross-Strait relations; firmly grasp the main theme of the peaceful development of cross-Strait relations; and oppose and deter the "Taiwan independence" splittist activities. We will consolidate the political, economic, and cultural foundations of the development of cross-Strait relations; comprehensively deepen cross-Strait economic cooperation; strive to enhance the exchanges in cultural, educational, tourism, and in other areas between the two sides of the Strait; positively expand the exchanges between the various circles of the two sides of the Strait; promote the mechanism construction of the exchanges between the two sides of the Strait in a sustained manner, and establish a

framework for the peaceful development of cross-Strait relations.

1. Establish a Sound Economic Cooperation Mechanism Between the Two Sides of the Strait

We will actively implement the cross-Strait Economic Cooperation Framework Agreement and other agreements between the two sides of the Strait, promote the follow-up consultations on commodity trade, service trade, investment and economic cooperation, promote the further liberalization of cross-Strait commodity and service trades, gradually establish a fair, transparent, convenient investment and protection mechanism, and build a sound economic cooperation mechanism with cross-Strait characteristics.

2. Comprehensively Deepen Cross-Strait Economic Cooperation

We will expand cross-Strait trade, promote two-direction investment, enhance the cooperation in modern service trade including emerging industrial and finance sector, and promote the establishment of a cross-Strait currency settlement mechanism. There will be definition of cross-Strait industrial cooperation setup and key areas, and carrying out major project cooperation between the two sides. It is necessary to promote the cooperation of small and medium-sized enterprises between the two sides of the Strait, and increase the competitiveness of small and medium-sized enterprises. We will enhance the cooperation between the two sides of the Strait in intellectual property rights protection, trade promotion, trade convenience, customs, electronic commerce, and in other areas. We will actively support the transformation and upgrading of Taiwan-funded enterprises on the mainland. We will protect the legitimate rights and interests of Taiwan compatriots according to the law.

3. Support Western Taiwan Strait Economic Zone Building

We will give full play to the path-finding and pioneering role of the Western Taiwan Strait Economic Zone in promoting cross-Strait exchanges and cooperation, strive to establish a frontier platform for cross-Strait exchanges and cooperation, build a close cross-Strait economic and trade cooperation area, a major base for cross-Strait cultural exchanges, and an overall hub for cross-Strait direct exchanges. We will give play to Fujian's unique advantage in exchange with Taiwan; raise the functions of the Taiwan businessmen investment zones; promote industry's in-depth connection; accelerate the opening up and development of the Pingtan Comprehensive Experimental Zone; and promote the building of the Xiamen cross-Strait regional financial service center. We will support the economic development of other areas where Taiwan businessmen has massive investment.

Section Fifteen: Military-Civilian Harmony and Enhance National Defense and Army's Modernization Building

With an eye on the overall situation of the state security and the development strategy, we will coordinate the economic construction and defense building, and realize the unity of making the country rich and the army strong in the process of the building of a well-off society in an all round manner.

Chapter Fifty Nine: Enhance National Defense and Army's Modernization Building

We will comprehensively enhance the army's revolutionization, modernization, and regularization building by persisting in making Mao Zedong's military thinking, Deng Xiaoping's army building thinking in the new period, Jiang Zemin's thinking on national defense and army building as our guide, in making the scientific development concept as an important guiding principle for defense and army building, in aiming to fulfill the army's historical mission in the new century and in the new stage, in over-viewing the military strategy and principles in the new period, in making the promotion of defense and army building and scientific development as the main theme, and in accelerating the transformation of the formation model of combat strength as the main line.

We will enhance the army's ideological and political building; persist in the basic principle and system of the Party's absolute leadership over the army; persist in the fundamental purpose of the people's army; greatly carry forward the excellent tradition of following the command of the party, of serving the people, and of being brave and of good at fighting; and nurture the core value concept of the contemporary revolutionary army men. We will further expand and deepen the preparations for military struggle, and by making the raising of the information system-based system operation capabilities as the basic focus point, deepen the promotion of the transformation in military training. We need to persist in relying on science and technology to make the army strong, strengthen defense scientific research and weapons and equipment building, accelerate the pace of comprehensive building of a modern logistics system, step up the training of the new type of high-quality military talents, and raise the capability of accomplishing diverse military tasks with the ability to win regional wars under information-based conditions as the core. There is a need to persist in managing the army according to the law and in strictly managing the army; enhance scientific management; actively and steadily promote defense and army reforms; optimize leadership management structure; perfect joint operation

command system, and promote innovation in military theory, military technology, military organization, and military management. It is necessary to build a modernized armed police force, and increase the capabilities of duty performance, of handling sudden outbreak of events, of anti-terrorism, and of maintaining stability. We will strengthen the reserve force building, and consolidate the unity between the military and the government, between the military and the people.

Chapter Sixty: Promote Military-Civilian Harmonious Development

We will persist in the principle of making the state as the main guidance, of system innovation, of market operation, and of the integration between the army and the people. There will be coordinated economic and defense construction. We will fully rely on and make use of non-government resources to raise the defense strength and military capabilities, greatly promote the opening and sharing of military and local resources, and the mutual transfer of dual use technologies, and gradually establish an army-civilian harmonious type development system with Chinese characteristics that is adapted to the laws of socialist market economy and that can meet the requirements for winning regional wars under the information-based conditions.

We will establish and perfect the weapons and equipment scientific research and production system marked by military-civilian integration and by the military's cooperation with the civilian sectors, the military talent training system, and the military logistics system. We will build an advanced defense science and technology industry; optimize structure; strengthen the core capabilities with informatization as the guide and with advanced research, development, and manufacturing as the foundation; accelerate the breaking of the basic bottle neck that constrains scientific research and production; and promote the indigenous development of weapons and equipment. There is a need to improve the weapons and equipment procurement system. It is necessary to improve the army's talent recruitment and perfect the policies and systems of direct recruitment of various talents from localities. We need to perfect the settlement policies for army veterans, and enhance the training and employment arrangement work for army veterans. There will be steady promotion of the socialized reforms of army logistics with the main emphasis on providing daily life protection, general material reservation, and equipment maintenance. We will bring about a management system for army's staff members that is adapted to the state's regulations and systems on personnel, labor, and social protection. We will establish a military-civilian integrated military goods distribution system and a strategic injection force system that integrates the military and localities.

We insist that economic construction implement defense requirements. We will intensify infrastructure construction and the degree of the in-depth integration and sharing between the military and civilians, in maritime, aviation, space, information, and in other key areas. There will be perfection of policy mechanism, standards, and norms, and promotion of the coordinated development and virtuous interaction between economic construction and defense building. It is necessary to enhance defense concept among the people; perfect the national defense mobilization structure; enhance the people's armed forces, national economic mobilization, the people's air defense, the traffic combat readiness building and defense education; and strengthen the capabilities of defense mobilization of providing services in peace time, of responding to emergencies, and of preparing to fight during war time.

Section Sixteen: Enhance Implementation and Realize Magnificent Development Blueprint

This program, having been reviewed and approved by the National People's Congress, has legal effect. We need to rely on the efforts of all the people in the nation and gather the wisdom of all the people in the nation to realize the magnificent development blueprint for the next five years.

Chapter Sixty One: Perfect Program Implementation and Assessment and Evaluation Mechanism

To promote the smooth implementation of the program, there is a need to mainly rely on giving play to the basic role of market resources allocation. Governments at all levels should correctly fulfill responsibilities, rationally allocate public resources, guide and regulate and control social resources, and ensure the fulfillment of the program's objectives and tasks.

1. Define Program's Implementation Responsibilities

There is a need to mainly rely on the autonomous behavior of the principal part of the market to realize anticipated targets, industrial development, and structural readjustments and other tasks as proposed in the program. Various levels of governments should, through the perfection of market mechanism and the interest-oriented mechanism, create an excellent policy environment, system environment, and rule-by-law system; break market segmentation and trade monopoly; stimulate the initiative and creativeness of the principal part of market; and guide the consistency between the behavior of the principal part of the market and the state's strategic intentions.

The constraining targets and the tasks in the sphere of public services as defined in this program constitute the commitments made by the government to the masses. Targets of constraining nature as defined in the program should be implemented in relevant departments, provinces, autonomous regions, and municipalities. There is a need to promote the task of the provision of equal basic public services and define the work responsibilities and progress. This mainly requires the government to exert full effort by utilizing public resources.

2. Enhance Policy Coordination

Surrounding the targets and tasks as put forward in the program, we will enhance the overall planning and coordination of economic and social development policies, and pay attention to the linkup and coordination between policy targets and policy instruments, between short-term policies and long-term policies. In line with the principle of public finances subordinating to and serving public services, we will optimize financial expenditure structure and government investment structure; gradually increase the central government's investment scale; establish central government's investment scale formation mechanism that is compatible with the program's tasks; stress investment in people's livelihood, social undertakings, agriculture, rural areas, sci-tech innovation, ecology, environment protection, resources conservation, and in other areas; and invest more funds in central and western regions, in old revolutionary areas, in areas inhabited by ethnic minority groups, in border regions, and in impoverished areas.

3. Implement Comprehensive Evaluations and Checks

There is a need to accelerate the formulation and perfection of a performance-based assessment and evaluation system and of concrete assessment and evaluation methods that favor the promotion of scientific development and the acceleration of the transformation of the economic development model; weaken the assessment and evaluation on the speed of the economic growth; enhance the comprehensive assessment and evaluation on the situation of the fulfillment of targets in structural optimization, of the improvement of the people's livelihood, of resources conservation, of environmental protection, of basic public services, and of social management areas. The results of the assessment and evaluation should be made an important basis for the readjustment of various levels of government leading bodies, for the selection and promotion of leading cadres, and for rewards and for meting out punishments.

4. Enhance Program's Supervision and Evaluation

It is necessary to perfect the supervision and evaluation system, enhance the supervision and evaluation capability building, enhance the statistical work on service trade, energy-conservation and emissions reduction, climate change, labor and employment, income distribution, real estate and on others and strengthen the follow-up and analysis of the implementation of the program. Relevant departments of the State Council should enhance the evaluation on the implementation of the program's relevant spheres, and accept the supervision and inspection by the National People's Congress and its standing committee. The program's competent departments should evaluate the progress of the fulfillment of constraining targets and of major anticipated targets, submit annual reports on the progress of the implementation of the program to the State Council, and release the reports to the general public in an appropriate way. At the medium stage of the implementation of the program, the State Council will organize and carry out a comprehensive evaluation, and will submit the medium stage evaluation report to the standing committee of the National People's Congress for examination. If there is a need to readjust the program, the State Council should put forward a readjustment plan and submit it to the National People's Congress Standing Committee for approval.

Chapter Sixty Two: Enhance Program Coordination and Management

We will promote the program's structural reform, accelerate the program's legal system building, and with the overall program for national economic and social development as the lead, with the major function oriented zones as the basis, and with special projects, national land planning and land utilization planning, regional planning, city planning as the support, form a planning system with clear definition of various planning, functional complementary, and with unified linkage; perfect the scientific, democratic, and standardized formulation process; and work out a sound implementation mechanism with clear responsibilities, classified implementation, and effective supervision.

Relevant departments of the State Council should organize the compilation of a number of state-level special project planning, key special project planning in particular, and provide details on the implementation of the major tasks as set forth in the program. When formulating the key state-level special plans, we need to, by surrounding the key areas of economic and social development and weak links, give emphasis on resolving prominent issues and form a key support for implementing this program.

When drawing up local plans, there is a need to seriously implement the state's strategic intentions, integrate with local

realities, and give prominence to local characteristics. It is necessary to do a good job in the coordination between local planning and the development strategies, major targets, and key tasks as proposed in the program, particularly on the issue of enhancing linkup with constraining targets.

It is necessary to enhance the linkup between annual plans with this program. There is a need to set annual targets for major targets and fully realize the development targets and key tasks as proposed in the program. There is a need for the preparers of the annual planning reports to analyze the progress of the implementation of this program, in particular the progress of the fulfillment of the constraining targets.

The people of all nationalities in the country should rally closely around the CPC Central Committee with Comrade Hu Jintao as general secretary, hold high the great banner of socialism with Chinese characteristics, emancipate the mind, seek truth from facts, advance with the times, blaze new trails in a pioneering spirit, and struggle for the realization of the 12th five-year program for national economic and social development and of the building of a well-off society in an all-round manner!

< BR>