

Guiding Principles and Selected Key Strategies of the National 11th Five-Year Plan

The guiding principles and selected key strategies of the National 11th Five-Year Plan are as follows:

<p>Implementing the scientific concept of development in all respects</p>	<p>During the 11th Five-Year Plan period, the country will enter into a new stage of realizing modernization, with the targets of building a moderately prosperous society in all respects, GDP in 2010 growing by more than 1.5 times over that of 2000, and per capita GDP of RMB19,270 (about US\$2,400) in 2010. To achieve the goal of modernized development, China must manage the overall situation of economic and social development with the scientific concept of development, earnestly turn the economic and social development into the track of comprehensive, coordinated and sustainable development, as well as adhere to the following six principles:</p> <ul style="list-style-type: none">(i) <u>Maintaining balanced and fairly rapid economic development.</u> Further expand domestic demand; regulate the relationship between investment and consumption; control investment in a reasonable manner and strengthen the pulling effect of consumption on economic growth.(ii) <u>Speeding up the transformation of economic growth pattern.</u> Uphold resource conservation as a basic national policy; develop a recycling economy; protect the ecological environment; expedite the building of a resource-conservation and environmental-friendly society; facilitate the coordination between economic development and population, resources and environment. Promote national economic and social informatization; move earnestly along the path of new industrialization and realize sustainable development.(iii) <u>Improving the capability of autonomous innovation.</u> Promote autonomous innovation capability as the strategic hub for scientific and technological developments as well as the core element for adjusting industrial structure and modifying the mode of economic growth.
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	<p>(iv) <u>Promoting balanced development between urban and rural areas and among regions.</u> Promote the building of a new socialist countryside and facilitate the healthy development of urbanization. Implement general strategies of regional development so that a development mechanism with regional coordination can be formed, in which the eastern, central and western regions of China can complement each other's strengths and interact positively.</p> <p>(v) <u>Strengthening the building of a harmonious society.</u> The society should be people-oriented and employment should be increased. More emphasis should be put on social fairness so that all people can share the fruits of reform and development, and social stability and solidarity can be maintained.</p> <p>(vi) <u>Deepening reform and opening-up persistently.</u> Improve the modern enterprise system and modern property right system. Establish a pricing mechanism which reflects the market supply and demand situation as well as the extent of resource scarcity. Give better play to the fundamental role of the market in resource allocation and enhance the efficiency of resource allocation. Rationalize the Government's functions and improve the macro-economic control system of the country.</p>
Speeding up the financial system reform	<p>The Central Government has laid down the policy direction for speeding up and deepening the financial system reform of the Mainland, including:</p> <p>(i) Improving the corporate governance structure of financial institutions and steadily developing financial enterprises under different systems of ownership.</p> <p>(ii) Accelerating the development of direct financing (e.g. the capital market of stock, bonds, etc.) and steadily developing the futures market. It also includes developing overseas financial services, foreign exchange risk management and comprehensive financial management, etc. as well as providing convenient services and foreign exchange risk management tools for cross-border operation of enterprises.</p>

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	<p>(iii) Improving the financial regulation and control mechanism, including steadily developing the money market, improving the managed floating exchange rate system and gradually realizing the convertibility of RMB under the capital account. Overseas capital markets will be effectively utilised to support the overseas listing of domestic enterprises. Qualified overseas institutions will be encouraged to hold stakes in domestic securities companies and fund management companies.</p> <p>(iv) Improving the financial supervision and management system, raising the level of financial supervision and management, strengthening risk monitoring and supervision and the restriction on capital adequacy ratio, establishing and improving the mechanism for coordination between banks, securities and insurance regulatory institutions and with the macro-economic control departments.</p>
Accordinging priority to developing transportation industry	<p>The Central Government points out that it has to coordinate, plan and rationally distribute traffic infrastructure, well carry out the mutual link-up of various transportation means, give play to the combined efficiency and overall advantage, and construct an integrated transport system which is convenient, unobstructed, highly efficient and safe. These efforts include, inter alia:</p> <p>(i) <u>Speeding up the development of rail transport</u> – Mainly construct passenger special lines and intercity rail transits, and preliminarily form the express passenger railway network (for example, the Beijing-Guangzhou-Shenzhen and Shanghai-Ningbo-Shenzhen passenger special lines, and the Guangzhou-Zhuhai intercity rail transit).</p> <p>(ii) <u>Further improving the road network</u> – Open up inter-provincial channels and give play to the overall efficiency of road network (for example, the Beijing-Hong Kong highway).</p>

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	<p>(iii) <u>Actively developing water transport</u> – Perfect the layout of coastal and riverside ports, and expand the ports’ throughput capacity; construct PRD high-grade navigation channel network; push forward the combined river-and-sea transport (for example, building container transport system for the ports of Fuzhou, Xiamen, Shenzhen, Guangzhou and Zhanjiang); step up construction of the container transport system and major passenger and cargo hubs.</p> <p>(iv) <u>Optimize the layout of civil airports</u> – Expand major airports and enhance the airline network (for example, expanding the Guangzhou New Baiyun International Airport and the Shenzhen Baoan International Airport).</p>
<p>Vigorously developing the modern logistics industry</p>	<p>The Central Government has formulated policy directed at fostering specialized logistics enterprises, actively developing third party logistics, strengthening the integration of logistics infrastructure and establishing major logistics hubs as well as developing regional logistics centres. It also encourages foreign investment in the logistics services industry.</p>
<p>Accelerating the development of the services industry</p>	<p>The Central Government has highlighted the importance of accelerating the development of services industry. This involves a wide range of issues, including:</p> <p>(i) <u>Regulating and developing business services sector</u> – Broaden and regulate legal services; develop investment and asset management services; regulate and develop the economic authentication services such as accounting, auditing, taxation and asset evaluation; support the development of consultation services such as engineering consultation, management consultation and credit services; encourage the development of specialized industrial design; promote the development of advertising industry, and rationally plan the layout and distribution of exhibition halls and develop conference and exhibition industry.</p> <p>(ii) <u>Actively developing information services industry</u> – Improve the basic business of post and telecommunications, develop value added business, explore new businesses and promote general services. Adjust telecommunications business structure and develop the internet industry. Actively develop electronic commerce. Establish and improve electronic commerce infrastructure, legal environment, credit and safety certification system and construct safe and convenient online payment service platforms.</p>

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	<p>(iii) <u>Vigorously developing the tourist industry</u> – Comprehensively develop domestic tourism, actively develop inbound tourism, and regulate and develop outbound tourism. Rationally develop and protect tourist resources, improve basic infrastructure, push forward the construction of key tourist zones and tourist routes, and regulate tourist market order. Continue to develop sightseeing tourism, develop leisure vacation as well as special-interest tourism on topics such as science popularization, agriculture, industries and the ocean, etc., and perfect the self-tour service system. Continue to promote “Red Tourism”. Accelerate the integration and restructuring of tourist enterprises and encourage the development of unique tourist packages.</p>
Promoting regional coordinated development	<p>The National 11th Five-Year Plan proposes to steadfastly implement and push forward the strategic development of Western China, revitalize the old industrial bases in the Northeastern regions, facilitate the emergence of the Central regions, encourage the overall regional development strategies spearheaded by the Eastern regions, perfect the regional coordinated interactive mechanism and rationalize the regional development framework. These measures include strengthening economic and technological cooperation with the neighbouring countries and developing cross-boundary trade. Besides, the Central Government will continue to give play to the roles of special economic zones and Shanghai Pudong New Area, push forward the development and opening of Tianjin Coastal New Area, support the economic development of the western side of the strait and other regions where Taiwan merchants are relatively concentrated to drive regional economic development.</p>
Pushing ahead the strategy of “talent-strong nation”	<p>The Central Government emphasizes that it has to firmly establish the scientific view of talents, expanding the supply of talents, improving the quality of talents, optimize human resources structure, improve talent selection mechanism, bring talents into full play and facilitate the transformation from a nation with large population to a strong nation with abundant human capital. Moreover, it will encourage and guide the Chinese people who have studied abroad to return to China to work and serve the country as well as actively attract overseas high-level talents.</p>

**Major targets of national economic and social development
in the 11th Five-Year Plan period**

Categories	Indicators	2005	2010	Annual average increase rate in the 11 th Five-Year Plan period(%)	Indicator property
Economic growth	GDP (trillion Yuan)	18.2	26.1	7.5	Anticipated
	Per capita GDP (Yuan)	13,985	19,270	6.6	Anticipated
Economic structure	Share of service industry's value added (%)	40.3	43.3	[3]	Anticipated
	Share of employment in service industry (%)	31.3	35.3	[4]	Anticipated
	Share of R & D spending out of total GDP(%)	1.3	2	[0.7]	Anticipated
	Urbanization rate (%)	43	47	[4]	Anticipated
Population, Resources, Environment	Total population (10 000 people)	130 756	136 000	<8%	Obligatory
	Energy consumption reduced per unit of GDP (%)			[20]	Obligatory
	Water consumption reduced per unit of industrial added value (%)			[30]	Obligatory
	Coefficient of effective use of water for agricultural irrigation	0.45	0.5	[0.05]	Anticipated
	Rate of comprehensive use of solid industrial waste (%)	55.8	60	[4.2]	Anticipated
	Total acreage of cultivated land (100 million hectares)	1.22	1.2	-0.3	Obligatory
	Total discharge of major pollutants reduced (%)			[10]	Obligatory
Public service, People's life	Forest coverage (%)	18.2	20	[1.8]	Obligatory
	Term of education per capita (year)	8.5	9	[0.5]	Anticipated
	Coverage of urban basic old-age pension (100 million people)	1.74	2.23	5.1	Obligatory
	Coverage of the new rural cooperative medical care system (%)	23.5	>80	>[56.5]	Obligatory
	New jobs created for urban residents in the five years (10 000 people)			[4 500]	Anticipated
	Rural laborers transferred to non-agricultural sectors in the five years (10 000 people)			[4 500]	Anticipated
	Urban registered unemployment rate (%)	4.2	5		Anticipated
	Per capita disposable income of urban residents (Yuan)	10,493	13,390	5	Anticipated
Per capita net income of rural residents (Yuan)	3,255	4,150	5	Anticipated	

Note: (1) The GDP and urban and rural resident income are in 2005 prices.

(2) Those with [] refer to the cumulative changes in the coming five years.

(3) Major pollutants refer to sulphur dioxide and chemical oxygen demand.

(4) Anticipated indicator: It is the nationally expected development objective and is achieved mainly through market forces. The government shall create a favourable macroeconomic environment, institutional environment and market environment, and may adjust the direction and strength of macro-economic control measures and comprehensively exert various policies in guiding social resources distribution to realize the objectives on a best effort basis.

(5) Obligatory indicator: It is the indicator that is further defined and strengthened on the basis of anticipated indicators and is the work requirements proposed by the Central Government to local governments and related departments in public service and the field involving public interests. The government shall ensure its realization through rational distribution of public resources and effective exertion of administrative forces.