



China / Government

Hot Issues	Government	Society	Innovation	Education	Cover Story	People	Photos
------------	------------	---------	------------	-----------	-------------	--------	--------

Full Text: Report on the Work of the Government

(Xinhua)

Updated: 2015-03-16 20:29

[Comments](#) [Print](#) [Mail](#) [Large](#) [Medium](#) [Small](#)

BEIJING - Following is the full text of the Report on the Work of the Government delivered by Premier Li Keqiang at the Third Session of the Twelfth National People's Congress on March 5, 2015 and adopted on March 15, 2015:

REPORT ON THE WORK OF THE GOVERNMENT

Delivered at the Third Session of the 12th National People's Congress on March 5, 2015

Li Keqiang

Premier of the State Council

Fellow Deputies,

On behalf of the State Council, I will now report to you on the work of the government for your deliberation and approval, and I invite comments on my report from the members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

I. A Review of the Work in 2014

Over the past year, the international and domestic environments faced by China in its development have been complicated and challenging. The road to global economic recovery has been rough, with many ups and downs, and the performance of the major economies has been divergent. Downward pressure on China's economy has continued to mount, and we have faced an array of interwoven difficulties and challenges.

However, under the firm leadership of the Central Committee of the Communist Party of China (CPC) headed by General Secretary Xi Jinping, all our people have worked together as one, surmounted difficulties, and accomplished the year's main targets for economic and social development. We have made solid progress in our endeavor to finish building a moderately prosperous society in all respects, got off to a good start in comprehensively deepening reform, embarked on a new journey to fully advance the law-based governance of China, and seen progress in the all-round strengthening of Party self-conduct.

During the past year, China has, overall, achieved a stable performance while at the same time securing progress in its economic and social development. The main indication of this stable performance is that the economy operated within an appropriate range.

-- The growth rate was steady. China's GDP reached 63.6 trillion yuan, an increase of 7.4% over the previous year, making China one of the fastest-growing major economies in the world.

-- Employment remained robust, with 13.22 million new urban jobs created, which is higher than the figure for the previous year.

-- Prices were stable, with the CPI rising by 2%.

The underlying feature demonstrating progress is that our development is becoming better coordinated and more sustainable.

-- The economic structure was upgraded. Grain output reached 605 million metric tons; the contribution of consumption toward economic growth rose by three percentage points to 51.2%; the value added of the service sector increased from 46.9% to 48.2% of the GDP; and there was a constant stream of new industries, new types of business, and new business models. The central and western regions grew faster in economic terms than the eastern region.

Most Viewed Today's Top News

- Ten photos you don't wanna miss - April 14
- Workers balance on planks to build mountain road
- Chongqing's 'fairy-tale' tree houses
- Cash-strapped Beijingers face life below ground
- Ten photos you don't wanna miss - April 13

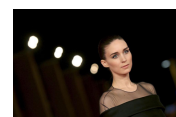
TRENDING ACROSS CHINA



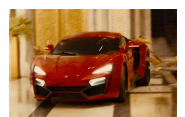
In today's trending, a naked little kid is an Internet hit, another boy's drawings

remember his mother, a 'high wire' act wows netizens, and a tomb is the unusual feature in an office building's yard.

CHINADAILY FORUM



Celebs turning 30



Cars of Fast and Furious

- Holding Peacekeepers Responsible
- No lines for apple smart watch
- 15 Of the World's Nastiest Animals
- 5 China disputes foreigners should know
- [Blog] Colorful Chinese medicines

Highlights



Xinjiang: Productivity versus pollution



Medical cost forces parents to consider giving up child



China's global image on the upswing



Now and then: Lottery dream fading

Hot Topics

-- The quality of development was raised. Revenue in the general public budgets grew by 8.6%. Research and development spending accounted for more than 2% of the GDP. Energy intensity was cut by 4.8%, the biggest reduction made in recent years.

-- People's lives were improved. Per capita disposable personal income increased by 8% in real terms nationwide, growing faster than the economy, and the per capita disposable income of rural residents grew by 9.2%, outpacing that of those living in urban areas. In rural areas, the number of people living in poverty was reduced by 12.32 million, and over 66 million more people gained access to safe drinking water. The number of outbound trips made by Chinese tourists exceeded 100 million.

-- New breakthroughs were made in reform and opening up. A series of key tasks for comprehensively deepening reform were launched, and the goal of the current administration to cut the number of items that require government review by one third was achieved ahead of schedule.

These achievements have not come easily. They have been made possible by the painstaking efforts and hard work of all our people, and they have strengthened our resolve and confidence to keep pushing ahead.

Over the past year, we have faced more difficulties and challenges than anticipated. We have risen to the challenge and accomplished the following in our work.

First, on the basis of range-based macro regulation, we exercised targeted regulation to keep the economy growing steadily.

In the face of mounting downward economic pressure, we maintained strategic focus and kept our macroeconomic policy unchanged. Instead of using short-term stimulus measures, we continued to develop new ideas and methods for macro regulation. We exercised targeted regulation, stimulated market activity, shored up our weak spots, and boosted the real economy. With a keen understanding of the appropriate range within which the economy needs to be operating, we adopted targeted steps to address the serious issues and structural problems hindering development. We promoted reform to gain impetus for development, made structural adjustments to produce support for development, and improved living standards to increase the potential for development. We both expanded market demand and increased effective supply, working to ensure that structural adjustments were made without compromising the growth rate.

We have been effectively implementing proactive fiscal policy and prudent monetary policy. We increased targeted tax reductions, reduced fees across the board, extended the coverage of tax relief policies to benefit more small and micro businesses, and expanded the trials to replace business tax with VAT to cover more industries. We sped up the process of making budgetary funds available for fiscal expenditures and put surplus budgetary funds to good use. By flexibly utilizing monetary policy instruments, making targeted cuts to required reserve ratios, carrying out targeted re-lending, and making asymmetric interest rate cuts, we stepped up support for weaker areas in economic and social development. Increases in loans made to small and micro businesses, and loans for agriculture, rural areas, and farmers, outdid the average increase in loans overall by 4.2 and 0.7 percentage points respectively. At the same time, regulation of the financial sector was improved and regional and systemic risks were forestalled.


Second, we deepened reform and opening up and invigorated economic and social development.

To address obstructions holding back development caused by certain systems and mechanisms, we comprehensively deepened reform, invigorating the market to offset downward economic pressure. We tackled many tough issues and carried out structural reforms in the economic, political, cultural, societal, and ecological sectors.


We have made solid progress in key reforms. We formulated and implemented a coordinated plan for deepening the reform of the fiscal and tax systems. Important progress was made in the reform of the budgetary management and tax systems. The number of items receiving special transfer payments was over one third less than that of the previous year, and the proportion of transfer payments for general purposes was increased. Management of local government debt was strengthened. The floating ranges of interest rates on deposits and exchange rates were expanded. New steps were taken in the trials to establish private banks. The Shanghai-Hong Kong Stock Connect was launched on a trial basis. The scope for using foreign exchange reserves and insurance funds was broadened. Price reforms in energy, transport, environmental protection, and communications were accelerated. We launched reforms to the system for managing research and development funding, the school examination and enrollment systems,

Ground level	Rule of law	Panda
China youths	Anti-terror drive	
Family planning	Smog	Fox Hunt
Beijing integrates with Tianjin, Hebei		
China cracks down on graft		

Special



Are you a *sunshine boy* or a *gone girl*?



Tale of two cities

the household registration system, and the pension system for employees of Party and government offices and public institutions.

We have continued to give the central stage in reform to streamlining administration and delegating more powers to lower-level governments and to society in general while improving regulation. Over the course of the year, departments under the State Council cancelled the requirement of or delegated the power for review on 246 items. We cancelled 29 performance evaluations, inspections on the meeting of standards, and commendations, and 149 verifications and approvals of vocational qualifications. We again revised and significantly shortened the list of investment projects requiring government review. We channeled great effort into the reform of the business system. The number of newly registered market entities reached 12.93 million, with that of enterprises increasing by 45.9%, creating a fresh surge of entrepreneurial activity. While economic growth slowed down, more jobs were created, which fully demonstrates both the tremendous power of reform and the endless potential of the market.

We drew on further opening up to boost reform and development. We expanded the China (Shanghai) Pilot Free Trade Zone and established similar zones in Guangdong, Tianjin, and Fujian. We worked to keep exports stable and increase imports, and China's international market share in exports continued to increase. Foreign direct investment actually made in China reached \$119.6 billion, making the country the world's top destination for foreign direct investment. China's outward foreign direct investment reached \$102.9 billion, meaning that outward investment has come to draw even with inward investment. China's free trade zone arrangements with Iceland and Switzerland were officially launched, and China completed substantive talks on free trade zones with the Republic of Korea and Australia. Major progress was made in cooperation with other countries in fields such as railways, electric power, oil, natural gas, and communications. Chinese equipment is making significant strides into the international market.

Third, we stepped up structural adjustments to make China's development more sustainable.

We took proactive steps to address prominent structural problems and supported the development of certain areas while containing the development of others, focusing on urgently needed initiatives that promise long-term benefits. Our goal herein has been to lay a firm foundation for economic and social development.

Work was done to strengthen the foundations of agriculture. We increased policy support to strengthen agriculture, benefit farmers, and raise rural living standards. Grain output increased for the 11th consecutive year, and the income of rural residents grew faster than that of urban residents for the fifth year running. Overall agricultural production capacity was steadily improved. Agricultural science and technology continued to be strengthened, and agriculture was further mechanized. The pace of progress in the construction of major water conservancy projects was stepped up. Farmland under water-saving irrigation was increased by 2.23 million hectares. An additional 230,000 kilometers of roads were built or upgraded in rural areas. We launched a new round of efforts to return more marginal farmland to forest or grassland. The work to determine, register, and certify contracted rural land-use rights proceeded as planned, and new types of agricultural businesses registered faster growth.

We channeled great energy into making adjustments in the structure of industry. We focused on fostering new areas of growth by encouraging the service sector to develop more quickly, and supporting the development of strategic emerging industries, including the mobile Internet industry, the integrated circuits industry, high-end equipment manufacturing, and the new-energy vehicles industry. Internet-based finance rose swiftly to prominence. E-commerce, logistics, express delivery services and other emerging businesses developed rapidly. We have seen makers coming thick and fast, and the cultural and creative industries have been developing with great vitality.

At the same time, we continued to cut overcapacity. Fifteen key industries including steel and cement achieved their task for the year of shutting down outdated production facilities as scheduled. We stepped up efforts to prevent and control smog and surpassed this year's targets for removing high-emission and old vehicles from the roads.

Progress was made in developing infrastructure and promoting coordinated development among regions. Significant progress was made in coordinated development for the Beijing-Tianjin-Hebei region and in building the Yangtze Economic Belt. An additional 8,427 kilometers of railway lines were put into operation. The length of high-speed railways that are up and running in China reached 16,000 kilometers, accounting for more than 60% of the world's total. The length of the country's expressways open to traffic grew to total 112,000 kilometers. Waterways, civil

aviation, and pipelines were all further developed. Steady progress was made in upgrading rural power grids. The number of broadband Internet users exceeded 780 million. Thanks to many years of hard work, the first phase of the middle route of the South-to-North Water Diversion Project was officially put into operation, benefiting millions of people along the route.

We implemented the strategy of innovation-driven development. We helped commercialize research and development deliverables, expanded the scope of trial policies from the Zhongguancun National Innovation Demonstration Zone to other areas, and ensured that scientific and technological resources were openly shared. All this has been helping to constantly unleash the creativity of scientists and engineers. Breakthroughs have been made in major research projects such as supercomputing, the lunar exploration program, and satellite applications, and a regional jet developed and produced in China has been successfully put into service.

Fourth, we worked on developing a tightly woven and sturdy safety net to secure and improve living standards.

We continued to put people first, sustaining increases to spending in areas that are important to improving standards of living. We have been working to build up a basic safety net, ensure there is a cushion in place for those most in need, and make relevant institutional arrangements. Despite a slowdown in the growth of government revenue and increased pressure on expenditures, more than 70% of last year's government budget was spent on ensuring standards of living.

We worked to strengthen employment and social security. We improved the policies to stimulate employment and initiated the scheme to help college students and graduates to start businesses, ensuring a steady increase in the employment of college graduates. We unified the basic pension systems for rural residents and non-working urban residents and increased basic pension benefits for enterprise retirees by a further 10%. Construction began on 7.4 million government-subsidized housing units, and 5.11 million such units were basically completed. We established a nationwide temporary-assistance system, increased subsistence allowances by 9.97% for urban residents and 14.1% for rural residents, and increased subsidies and living allowances by more than 20% for disabled military personnel, families of revolutionary martyrs, and old-age veterans.

We continued to make progress in securing fair access to education. We strengthened efforts to improve badly built and poorly operated schools providing compulsory education in poor areas, increased financial aid to students from poor families, and significantly increased the amount available per eligible student for national study assistance loans. The scheme to subsidize the waiving of tuition fees at schools providing secondary vocational education was extended to cover three years of study. Policies have been introduced to ensure that children can receive compulsory education at schools close to where they live without having to take entrance exams, and 28 provincial-level administrative areas began to allow children who live with their migrant worker parents to take the college entrance exam in their cities of residence. The number of students from poor rural areas who were newly enrolled in key colleges and universities increased by more than 10% for the second year running. Through hard work, government spending on education has come to reach over 4% of GDP.

We intensified efforts to reform and develop medical and health care. Trials of serious illness insurance for rural and non-working urban residents were extended to all provincial-level administrative areas, the framework of the system for providing assistance for emergency medical treatment was established, and over 95% of the whole population was covered by medical insurance. The comprehensive reform of community medical and healthcare centers was deepened, and the networks of medical and healthcare services for counties, townships, and villages have been steadily improved. The number of counties and county-level cities carrying out trial public hospital reforms reached over 1,300.

We worked actively to develop the cultural sector. Progress was made in developing major cultural initiatives designed to benefit the public. Great efforts were made to extend radio and television coverage not only to all villages but to all rural homes. Efforts were made to ensure the production of more high-quality literary and artistic works, and the modern culture market was improved. Popular fitness activities are flourishing nationwide, and the 2014 Summer Youth Olympic Games in Nanjing were a great success.

Fifth, we have been developing new forms of social governance, and promoting social harmony and stability.

We responded effectively to natural disasters and emergencies, worked to resolve social problems in a systematic way, and strengthened mechanisms to address problems at the source. These efforts have protected lives and ensured public order.

Last year, when strong earthquakes hit in areas including Ludian and Jinggu counties in Yunnan Province, we launched timely and efficient relief efforts and made smooth progress in post-earthquake recovery and reconstruction. We worked proactively to assist Africa in the fight against Ebola, and effectively prevented the virus from entering China. We intensified efforts to ensure workplace safety and achieved reductions in the number of total accidents, serious and major accidents, and accidents in key industries. Serious efforts were made to prevent food contamination, and on the whole the situation was kept stable in food and medicine safety.

In a major push to advance law-based government administration, the State Council submitted proposals to the Standing Committee of the National People's Congress (NPC) on enacting or revising 15 laws including the Food Safety Law, and formulated or revised 38 sets of administrative regulations including the Provisional Regulations on Enterprise Information Disclosure. We took thorough steps to increase transparency in government operations, and used multiple means to widely solicit comments from the public on major government decisions and policies. The third national economic census was completed. We reformed the system for handling public complaints made in the form of letters or visits. Legal aid was expanded to cover not only people living on subsistence allowances but also those on low incomes. We strengthened efforts in both urban and rural community building, and made direct registration a reality for four types of social organizations, including industry associations and chambers of commerce. We cracked down on crime, strengthened efforts in the comprehensive maintenance of law and order, and effectively safeguarded national security and public safety.

We have been strictly putting into practice the CPC Central Committee's eight-point decision on improving Party and government conduct and making persistent efforts to fight formalism, bureaucratism, hedonism, and extravagance. We have been rigorously implementing the State Council's three-point decision on curbing government spending, and have effectively controlled the construction of new government buildings, the staffing of government bodies and public institutions, and the spending on official overseas visits, official vehicles, and official hospitality. Administrative supervision and auditing oversight have been intensified; efforts have been stepped up to improve Party conduct, build a clean government, and fight corruption; and we have investigated and prosecuted violations of the law and discipline, bringing many offenders to justice.

We have taken strong steps to ensure the implementation of major policies and measures, carrying out inspections, introducing third-party evaluations and public appraisals, and establishing permanent mechanisms. These efforts have gone a long way in advancing all of our work.

Over the past year, Chinese diplomacy has been fruitful. President Xi Jinping and other state leaders visited many countries and attended major international events, including the G20 Leaders Summit, the BRICS Leaders Meeting, the Shanghai Cooperation Organization Summit, the East Asian leaders' meetings on cooperation, the Asia-Europe Meeting, the Annual Meeting of the New Champions 2014 in Tianjin, and the World Economic Forum annual meeting 2015 in Davos, Switzerland. China hosted the 22nd APEC Economic Leaders Meeting, the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia, and the Boao Forum for Asia.

China has been participating actively in establishing multilateral mechanisms and writing international rules. We have made steady progress in developing relations with other major countries, entered a new phase in neighborhood diplomacy, and made new headway in our cooperation with other developing countries. Notable progress has been made in conducting economic diplomacy.

Progress has been made in pursuing the Silk Road Economic Belt and 21st Century Maritime Silk Road initiatives; preparations have been made for establishing the Asian Infrastructure Investment Bank, and the Silk Road Fund has been set up.

China is engaging in more exchanges and cooperation with other countries, and is increasingly recognized as a major responsible country on the international stage.

Fellow Deputies,

We owe the achievements of the past year to the overall planning and sound policymaking of the Party Central Committee with Comrade Xi Jinping as General Secretary and to the concerted

and unremitting efforts of all members of the Party and the armed forces, and all of China's people.

On behalf of the State Council, I wish to express our sincere gratitude to the people of all our ethnic groups, and to the non-CPC parties, people's organizations, and people from all sectors of society. We would like to express our heartfelt appreciation to our compatriots in the Hong Kong and Macao special administrative regions and in Taiwan, and to Chinese nationals overseas. We also wish to express true gratitude to the governments, international organizations, and friends from all over the world who show understanding for and support China in its endeavor to modernize.

While recognizing our achievements, we must also be mindful of the difficulties and challenges on the road ahead:

-- Growth in investment is sluggish; the number of new areas of strong consumer activity is limited; there is no sign the international market is about to significantly pick up; maintaining stable growth is becoming more difficult, and there are still latent risks in some areas.

-- The prices of manufactured products are continuing to fall; the costs of factors of production are on the rise; small and micro businesses are finding it difficult and costly to obtain financing; and enterprises face increasing difficulties in their production and operations.

-- China's economic growth model remains inefficient; our capacity for innovation is insufficient; overcapacity is a pronounced problem, and the foundation of agriculture is weak.

-- There are still many problems of public concern in medical services, elderly care, housing, transport, education, income distribution, food safety, and law and order. Environmental pollution is serious in some localities, and major accidents in the workplace are not uncommon.

-- There is still much to be improved in the work of the government, with some policies and measures not being satisfactorily implemented. A small number of government employees behave irresponsibly; shocking cases of corruption still exist; and some government officials are neglectful of their duties, holding onto their jobs while failing to fulfill their responsibilities.

We must face these problems head on. In times of peace one must be alert to danger, and in times of stability one must be mindful of the potential for chaos. We must be ready to bear the weight of responsibility, do justice to our historic mission, and live up to the great trust the people place in us.

[Previous Page](#)[1](#)[2](#)[3](#)[4](#)[5](#)[6](#)[Next Page](#)

I want to comment

0 have participated

Username

[Create an account](#)

Please read our [community rules](#)

Password

[Login](#)

[I forgot my password](#)

Comments posted above represent readers' views only.

[Login And Post](#)

Related Stories

- [Best of the two sessions caught in camera](#)
- [Ambassadors' take on 'two sessions'](#)
- [Premier Li wraps up 'two sessions' with press conference](#)
- [Historical images of 'two sessions'](#)

[| About China Daily](#) | [Advertise on Site](#) | [Contact Us](#) | [Job Offer](#) |

Copyright 1995 - 2015 . All rights reserved. The content (including but not limited to text, photo, multimedia information, etc) published in this site belongs to China Daily Information Co (CDIC). Without written authorization from CDIC, such content shall not be republished or used in any form.

Note: Browsers with 1024*768 or higher resolution are suggested for this site.

License for publishing multimedia online 0108263

Registration Number: 130349

