

## Guidelines of the Eleventh Five-Year Plan for National Economic and Social Development

### (Full Text)

The Guidelines of the Eleventh Five-Year (2006-2010) Plan of the People's Republic of China for the National Economic and Social Development is compiled according to the "Suggestions of the Central Committee of the Communist Party of China on the Formulation of the Eleventh Five-Year Plan for National Economic and Social Development" and its main purpose is to clarify the national strategic intention, define the key emphasis in the government work and guide the behaviour of market subject. It is the magnificent blue print of China's economic and social development, it is the common program of action of our people of all nationalities and it is the important basis for the government to fulfil the responsibility of economic adjustment, market control and surveillance, social management and public service.

### Part 1 Guiding Principle and Development Objective

#### Chapter 1 The Critical Period of Building a Well-off Society in an All-Round Way

The Tenth Five-Year Plan period was extraordinary five years. The overall national strength of our country was enhanced significantly, the people's living standard was considerably improved and international standing was apparently raised. In the face of complicated and varied foreign and domestic situations, with the joint effort of the people of nationalities, we effectively suppressed the unstable and unsound factors occurring in economic operation, successfully defeated the challenge of SARS epidemic situation and major natural disasters and calmly responded to the new change following the accession to WTO. National economy was continuously and rapidly developing and the major development objectives determined in the Tenth Five-Year Plan were achieved ahead of schedule. Industrialization, urbanization, marketization and internationalization steps were accelerated and economic restructuring was constantly deepened. Foreign trade stepped forward, national financial revenue was greatly increased, total price level maintained basically stable, urban and rural people's lives were further improved, national unity was continuously consolidated, various social causes and national defence and army construction made new progress and socialist democratic political and spiritual civilization construction continued to be strengthened. The more important is that the Party Central Committee proposed the major strategic concept. These have laid a solid foundation for the development in the Eleventh Five-Year Plan period. Looking forward to the future, we are standing on a new historical start point.

Special Column 1: Achievement of Major Indicators in the Tenth Five-Year Plan				
Indicator	2000	Objective of Tenth Five-Year Plan	2005	Annual average growth in the Tenth Five-Year Plan (%)
Annual average growth of gross domestic product (%)		7		9.5
Additional jobs in cities and towns in the five years (10,000persons)		[4000]		[4200]
Transfer of agricultural labor force in the five years (10,000persons)		[4000]		[4000]
Registered rate of unemployment in cities and towns (%)	3.1	5	4.2	
General level of prices		Basically stable		1.4
Total export import volume of goods (100 million USD)	4743	6800	14221	24.6
Proportion of appropriation expenditure in research and test development in gross domestic product (%)	0.9	1.5	1.3	
Gross enrollment ratio of higher education (%)	11.5	15	21	
Gross enrollment ratio of senior high school (%)	42.8	60	53	
Gross enrollment ratio of junior high school (%)	88.6	90	95	

Total national population (10,000 person)	126743	133000	130756	6.3%
Reduction of total discharge of major pollutants (%)		[10]		<[10]
Annual average growth of per capita disposable income of urban residents (%)		5		9.6
Annual average growth of per capita net income of rural residents (%)		5		5.3
Per capita residential building area of urban residents (m <sup>2</sup> )	20.3	22	26	5.1

Note: the proportion of appropriation expenditure in research and test development in gross domestic product was 1.55% according to the data before general economic survey; those marked with [ ] are accumulated values in the five years.

The Eleventh Five-Year Plan period is the critical period of building a well-off society in an all-round way and has the historical status of linking the preceding and the following. It both faced rare opportunities and had austere challenges.

China has the favourable conditions for maintaining stable and rapid economic development and harmonious social progress. The accelerated upgrading of consumption structure of urban residents will drive the rapid industrial restructuring and rapid urbanization development and thus the market potential is enormous. China has abundant labour force resources and relatively high rate of national savings. Its infrastructure is continuously improved, industrial ability to provide the auxiliary items is relatively strong, scientific and technological education has relatively good foundation and long term social and political stability is maintained. Its reform is advancing in depth and socialist market economic system is gradually improved, which will further excite social vitality and development impetus. Peace, development and cooperation become the tide of the present time and the comparison of world political power is conducive to maintaining the overall stability of international environment. Economic globalization trend is developing deeply, scientific and technological progress changes quickly and production element flow and industrial transfer are accelerated. The interrelation and mutual influence between China and world economy is increasingly deepened, the two markets, domestic and world, and the two resources complement each other and external environment as a whole is favourable to China's development.

Still main difficulties and problems exist in our advancing road. China is and will be in the preliminary socialist stage for a long time, the productive force is not developed and some endured deep level development-restricting contradicts still exists: farmland, fresh water, energy and important mineral resources are relatively insufficient, ecological environment is relatively vulnerable, economic structure is irrational, the task to resolve the three dimensional rural issues is very arduous, employment pressure is still great, the independent scientific and technological innovation ability is not strong and system and mechanism obstruction affecting the development needs urgent resolution. In the rapid development of the Tenth Five-Year Plan period, some new major problems emerged: uncoordinated investment and consumption relationship, blind expansion of some industries, superfluous capacity, slow transformation of economic growth mode, excessive energy resource consumption, aggravated environmental pollution, continuous expansion of development gap between urban and rural areas and between regions and income difference between some social members and backward development of social causes; there are still many factors affecting social stability, international environment is complicated and changeable and the unstable, indeterminate factors affecting peace and development are increased, the pressure that developed countries have the whip hand in economy and science and technology will exist for a long time, unbalance of world economy development will be aggravated, competition in resources, markets, techniques and talents will be more intense and trade protectionism will have new manifestation. All these will challenge China's economic and social development and safety.

In the critical period with the coexistence of strategic opportunity and contradiction, we must have high historical sense of responsibility, strong awareness of hardship and broad international sight, accurately grasp the phase characteristic of China's development, base ourselves on scientific development, put forth effort to innovate independently, improve system and mechanism, promote social harmony, fully enhance China's overall national strength, international competitive capacity

and anti-risk ability, open up a new situation of socialist economic construction, political construction, cultural construction and social construction, and lay a solid foundation for the smooth development in the next ten years and do all we can to push forward China's characteristic socialist cause.

## Chapter 2 Implement the Scientific Concept of Development in an All-Round Way

The Eleventh Five-Year Plan period will promote the national economy to develop continuously, rapidly and healthily and the society to progress in an all-round way. We shall be guided by Deng Xiaoping's Theory and the important thought of Three Represents and command the overall social development with the scientific concept of development. Adhere to that development is the fundamental principle. Adhere to giving priority to the development in governing and rejuvenating the country, adhere to concentrating on economic growth and adhere to resolving the problems cropping up on our way forward through development and reform. Development must be scientific development. We shall keep human as fundamentality, change development concept, innovate development model, improve development quality and implement the "Five Overall Planning" and turn the economic and social development onto the track of comprehensive and coordinated sustainable development. We shall adhere to the following principles:

Maintain stable and fast economic development. We shall further expand domestic demand, adjust investment and consumption relationship, rationally control investment scale and enhance the driving action of consumption on economic growth. Correctly comprehend the change of economic development trend, maintain the basic balance of the total amount of social supply and demand, avoid major economic fluctuations and realize rapid and good development.

- Accelerate the change of economic growth mode. We shall take resource conservation as a basic national policy, develop recycle economy, protect ecological environment, accelerate the construction of resource-saving and environmentally friendly society and promote the coordination between economic development and population, resource and environment. Push national economy and society informatization, practically take the new type industrialization road, adhere to economical development, clean development and safety development and realize sustainable development.
- Improve independent innovation ability. We shall deeply implement the strategy of rejuvenating the country through science and education and the strategy of reinvigorating China through human resource development, take the enhancement of independent innovation ability as the strategic base point for scientific and technological development and the key link for change of growth mode and greatly increase the original innovation ability, integrated innovation ability and introduce and absorb re-innovation ability.
- Promote coordinated development between urban and rural areas. We shall proceed from the overall situation of socialist modernization construction and plan urban and rural development as a whole. Stick to regarding the resolution of the "three dimensional rural issues" as the key point of key point for all party members' work, let industry back feed agriculture and city support village, push forward socialist new village construction and promote sound urbanization development. Implement overall regional development strategy and form the coordinated regional development mechanism of mutually complementation and beneficially interaction for the East, Central and West regions.
- Strengthen the construction of harmonious society. We shall, in accordance with the requirements of human as fundamentality and starting from resolving the practical issues related to the people and masses' vital interests, pay more attention to the coordinated development of economy and society, accelerate the development of social cause and promote overall human development. Pay more attention to social equity and enable all people to share the achievements of reform and development. Pay more attention to

democratic and legal system construction, correctly deal with the relations of reform, development and stability and maintain social stability and solidarity.

- Continuously deepen reform and opening to the outside world. We shall adhere to the reform direction of socialist market economy, improve modern enterprise system and modern property right system, establish the price formation mechanism that reflect market supply and demand and resource scarcity, more greatly exert the fundamental function of market in resource allocation, increase resource allocation efficiency, practically change governmental functions and improve national macroscopic readjustment and control system. Plan domestic development and opening to the outside world as a whole, continuously increase the level of opening to the outside world and enhance the ability to promote development while opening conditions are expanded.

According to the above guiding ideology and principle and aiming at the conspicuous contradictions and problems in development, further adjust the concept of development propulsion, change the mode of development propulsion and define the policy orientation of development propulsion.

- Pushing forward development by expanding domestic demand. Taking the expansion of domestic demand and especially consumer demand for the basic foothold, promote economic growth to change from being driven mainly relying on investment and export to being driven by consumption and investment and domestic demand and foreign demand.
- Pushing forward development by optimizing industrial structure. Taking the adjustment of economic structure for the main line, promote economic growth to change from being driven mainly by industry to quantity expansion to being driven by the three industries and structural optimization and upgrading.
- Pushing forward development by saving resources and protecting environment. Taking the promotion of fundamental change of economic growth mode for the centre of effort, promote economic growth to change from being driven mainly by increase of resource investment to being driven by increase of resource utilization efficiency.
- Pushing forward development by enhancing independent innovation ability. Taking the enhancement of independent innovation ability for national strategy, promote economic growth to change from being driven mainly by fund and material element investment to being driven by scientific and technological advancement and human capital.
- Pushing forward development by deepening the reform and opening to the outside world. Taking the reform and opening to the outside world for impetus, promote economic growth to change from being driven by administrative intervention in some fields to a considerable extent to being driven by exerting the basic action of market distribution resources to a greater extent under macroscopic readjustment and control by the state.
- Pushing forward development by making human as fundamentality. Taking the improvement of the people's living standard for the fundamental start point and footpoint, promote the development to change from emphasizing the increase of material wealth to more emphasizing the promotion of the comprehensive human development and coordinated development of economy and society.

### Chapter 3 Major Objectives of Economic and Social Development

According to the overall requirement of building a well-off society in an all-round way, the following major objectives of economic and social development will be achieved in the Eleventh Five-Year Plan period:

- Stable operation of macroeconomy. Annual average growth of gross domestic product will be 7.5% and per capita gross domestic product will double the figure of the year 2000. 45 million additional urban job opportunities will be realized and 45 million rural labour forces will be transferred and registered urban rate of unemployment will be controlled at 5%. The general level of prices is basically stable and international revenue and expenditure will be basically balanced.
- Optimization and upgrading of industrial structure. Industry, product and enterprise organization structure will be more rational and the proportion of added value for the service industry in the gross domestic product and the proportion of employed people for the service industry in the total social employed people will increase 3% and 4% respectively. Then independent innovation ability is enhanced, and the proportion of appropriation expenditure for research and test development in the gross domestic product is increased to 2% and a group of superior enterprises owning independent intellectual property rights, well known brands and relatively strong international competitive force will be formed.
- Significant increase of resource utilization efficiency. Energy consumption per unit gross domestic product is reduced for 20%, water consumption per unit industrial value added is reduced for 30%, available factor of agricultural irrigation water is increased to 0% and comprehensive utilization of industrial solid wastes is increased to 60%.
- Urban and rural regional development tends to be coordinated. The construction of new social villages generates considerable effects and urbanization rate is increased to 47%. Respectively characteristic regional development patterns are preliminarily formed and the enlarging trend of the difference between urban and rural and interregional public service, per capita income and living standard is inhibited.
- Basic public service is reinforced apparently. The average educational time of the people is increased to 9 years. Public health and medical service system is relatively sound. Social security coverage is enlarged, the number of people covered by the basic old-age insurance in cities and towns reaches 223 million and the coverage of new type village cooperative medical service exceeds 80%. Poverty stricken population continues to decrease and the ability to prevent and reduce disasters is reinforced and public order and safe production situation is further improved.
- Sustainable development ability is enhanced. The total national population is controlled at 1.36 billion. Farmland retention is kept at 120 million hectares and safeguard level of fresh water, energy resources and important mineral resources is raised. The ecological environmental deterioration trend is basically inhibited, the total discharge quantity of major pollutants is reduced for 10%, forest coverage reaches 20% and control of greenhouse gas emission generates good results.
- Market economic system is relatively perfect. The reform and institutional construction in the fields of administrative management, state owned enterprises, finance and taxation, banking, science and technology, education, culture and health etc makes a breakthrough and market supervision ability and social management level is markedly improved. Opening to the outside world and domestic development is more coordinated and open economy reaches a new level.
- The people's living standard continues to be improved. Per capita disposable income of urban residents and per capita net income of rural residents increase 5% respectively annually and the quality of life of both urban and rural residents are universally improved and conditions in residence, traffic, education, culture, health and environment are considerably improved.

Democratic legality building and spiritual civilization building make new progress. Legality building is advancing comprehensively to form the socialist legal system with Chinese characteristics. Ideology and morality construction is further enhanced and construction of harmonious society makes new progress.

Special Column 2: Major Indicators of Economic and Social Development in the Eleventh Five-Year Plan period					
Class	Indicator	2005	2010	Annual average growth (%)	Attribute
Economic growth	Gross domestic product (1,000 billion Yuan)	18.2	26.1	7.5	Anticipative
	Per capita gross domestic product (Yuan)	13985	19270	6.6	Anticipative
Economic structure	Proportion of added value for service industry (%)	40.3	43.3	[3]	Anticipative
	Proportion of unemployment for service industry (%)	31.3	35.3	[4]	Anticipative
	Proportion of appropriation expenditure for research and test development in the gross domestic product (%)	1.3	2	[0.7]	Anticipative
	Urbanization rate (%)	43	47	[4]	Anticipative
Population resource environment	Total national population (10,000)	130756	136000	<8%	Obligatory
	Reduction of energy consumption per unit gross domestic product (%)			[20]	Obligatory
	Reduction of water consumption per unit industrial value added (%)			[30]	Obligatory
	Available factor of agricultural irrigation water	0.45	0.5	[0.05]	Anticipative
	Comprehensive utilization of industrial solid wastes (%)	55.8	60	[4.2]	Anticipative
	Farmland retention (100 million hectares)	1.22	1.2	-0.3	Obligatory
	Reduction of total emission of major pollutants (%)			[10]	Obligatory
People life Public service	Forest coverage (%)	18.2	20	[1.8]	Obligatory
	Average educational time of the people (year)	8.5	9	[0.5]	Anticipative
	Number of people covered by basic village insurance in cities and towns (100 million)	1.74	2.23	5.1	Obligatory
	Coverage of new type rural cooperative medical service (%)	23.5	>80	>[56.5]	Obligatory
	Additional job opportunities in the five years (10,000 persons)			[4500]	Anticipative
	Transfer of rural labour force in the five years (10,000 persons)			[4500]	Anticipative
	Registered urban rate of unemployment (%)	4.2	5		Anticipative
	Per capita disposable income of urban residents (Yuan)	10493	13390	5	Anticipative
	Per capita net income of rural residents (Yuan)	3255	4150	5	Anticipative

Note: the gross domestic product and urban and rural resident income are the price of 2005; those with [ ] are the accumulated number of the five years; major pollutants refer to sulfur dioxide and chemical oxygen demand.

### Special Column 3: Attribute of Planning Indicators

The development objective determined in this plan embodies the people's fundamental interest and long-term benefit and is the national strategic attention condensing the people's will. The quantization indicators in it are divided into two classes: anticipative and obligatory.

**Anticipative Indicator:** is the nationally expected development objective and is achieved mainly by relying on the market self-governing. The government shall create favourable macroscopic environment, institutional environment and market environment, adjust macroscopic readjustment and control direction and strength in proper time and comprehensively exert various policies to guide social resource distribution and make efforts to realize it.

**Obligatory Indicator:** is the indicator that is further defined and strengthened on the basis of anticipation and is the work requirements proposed by the Central Government to local governments and related departments of the Central Government 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.

## Part 2 Construction of New Social Villages

Adhere to the basic general plan for unified planning of urban and rural economic and social development and while actively and stably pushing forward urbanization, solidly and steadily push forward the construction of new villages according to the requirement of production development, well-off life, civilized village style, neat village appearance and democratic management.

#### Chapter 4 Development of Modern Agriculture

Adhere to taking the development of agricultural productivity as the primary task of building the new socialist village, push forward the strategic adjustment of agricultural structure, change the agricultural growth mode, increase the comprehensive agricultural production capacity and value adding ability and consolidate and strengthen the foundational status of agriculture.

##### Section 1 Increase Comprehensive Agricultural Productivity

Adhere to basic food self-support and stably develop grain production to ensure national grain safety and to enable the comprehensive grain productivity to reach 500 million tons. Strengthen the production ability in the main grain production regions and increase per unit area yield, quality and production benefit of grains. Establish the interest coordination mechanism between the grain production regions and the main sales regions. Give priority to the grain production ability construction in other regions.

Adhere to the strictest farmland protection system and ensure that the total quantity and quality of basic farmland are not reduced and dropped. Strengthen the fundamental farmland construction with emphasis given to the small water resource facilities, rebuild large scaled irrigation areas, accelerate the improvement of medium and low yield land and increase farmland quality and agricultural ability to prevent and reduce disasters.

Enhance agricultural scientific and technological innovation and transformation ability. Accelerate the construction of national agricultural scientific and technological innovation base and regional agricultural scientific research centre. Accelerate the research and development and popularization of such technologies as fine variety breeding of agricultural crops and animal and poultry and aquatic products, forage feeding, epidemic disease prevention and treatment, resource conservation and pollution treatment and control. Foster and spread excellent species such as super-grade crossbred paddy rice. Strengthen protection and rational development and utilization of species resources.

Reform the traditional cropping pattern, push agricultural standardization and develop economical agriculture. Use chemical fertilizer, pesticide and agricultural film in a scientific way and spread the applicable technologies such as testing soil for formulated fertilization, balanced fertilization, slow-release nitrogen fertilizer and biological control of plant diseases and insect pests. Popularize advanced and suitable farm machinery and implement and increase agricultural mechanization level.

##### Section 2 Push Forward Agricultural Structural Readjustment

Optimize agriculture industrial structure. While ensuring the stable yield increase of grain, cotton and oil, increase the proportion of fish breeding and poultry raising. Accelerate the development of animal husbandry and dairy industry, protect natural pasture lands, construct forage grass and herbage food base, improve animal and poultry feeding mode and enhance the level of scalization, intensification and standardization. Develop economic forest and flower industry by adjusting measures to local conditions. Develop aquaculture and aquatic product processing, implement the fishing cease and prohibition system and control fishing intensity.

Optimize agricultural product structure. Development high yield, high quality, high efficiency, ecological and safe agricultural products. Mainly develop high quality special grain species and

economic crops with high economic benefit and grain saving animal products and famous, special and excellent new aquatic products.

Optimize agricultural regional layout. Increase the comprehensive grain production capacity in the Huanghai and Huaihai Plain, the Changjiang mid- and down-stream Plain and the Northeast Plain. In the regions with favourable climatic conditions, construct economic crops industrial zones and famous, special, excellent, new, rare tropical crop industrial zones. Develop animal husbandry in rural sections and agriculture and animal husbandry intersecting areas, develop grassland animal husbandry in the south grass mountain and grass slope and the southwest karst terrains and restore and foster the sustainable development ability in the traditional pastoral areas. Develop dry farming and water saving agriculture in water-deficient areas.

### Section 3 Strengthen the Construction of Agricultural Service System

Improve agricultural technology transfer, agricultural product quality safety and standard, epidemic prevention for animals and plant protection, certification and approval service systems. Integrate agriculture related information resources and strengthen the construction of agricultural economic information application system. Push forward agricultural service organization and institution innovation, encourage and guide peasants to develop various specialized cooperative economic organizations and increase agricultural regularization extent.

### Section 4 Perfect Agricultural Circulation System

Push forward construction and reconstruction of agricultural product wholesale market and promote agricultural product quality hierarchization, including normalization. Continue to implement the "market development project for numerous villages and townships" and accelerate the reconstruction of supply and marketing cooperatives operating network and the extension of urban commercial network points to rural areas. Perfect the "green channel" network for fresh and living agricultural products. Develop the chain operation of agricultural means of production and standardize the market order of agricultural means of production.

## Chapter 5 Increase peasants' income

### Section 1 Tap the potential of agricultural income increase

Actively develop the superior agricultural products with excellent variety, apparent characteristic and high added value. Extend agricultural industrial chain to enable peasants to obtain more incomes from expansion of agricultural function. Develop agricultural product processing, freshness keeping, storage and transportation and other services. Support agricultural industrialized operation, foster highly driving leading enterprises and improve the mechanism of interest and risk sharing between enterprises and peasant households. Expand the production of labour intensive products and green foods such as cultivation and gardening. Encourage export of superior agricultural products. Develop leisure and sightseeing agriculture.

### Section 2 Increase non-agricultural income

Push forward township and village enterprise institutional innovation and structural readjustment and guide township and village enterprises to concentrate in the small towns and county seats. Support county-wide economic development, pay attention to the development of the labour intensive industry and service industry with high employment capacity and strengthen countywide economy. Improve employment information service system, guide surplus labour forces to orderly transfer to non-agricultural industry and cities and towns, safeguard the legal rights and interests of the people who go to cities to work and increase the working peasants' income.

### Section 3 Improve the Policy of Income Increase and Burden Reduction



Continue to implement the direct subsidy policy for peasants, increase subsidy strength and promote the price of agricultural products to maintain at rational level. Stabilize the price of agricultural production means and establish agricultural support and protection system. Strictly carry out agricultural charging management and prohibit indiscriminate charge and unjustified financial levies for peasants.

#### Chapter 6 Improve Agricultural Appearance

Improve peasants' production and living conditions through unified planning, step by step implementation, government guidance, mass voluntariness, adjusting measures to local conditions and paying attention of actual effects.

##### Section 1 Strengthen Rural Infrastructural Construction

Make efforts to strengthen the construction of production and living facilities most urgently needed by peasants. Accelerate the implement of rural drinking water safety project. Strengthen rural road construction to basically realize that all towns and villages have bituminous paved (cement) roads in the country, the villages with organizational system where conditions permit in the East and Central Regions will have bituminous paved (cement) roads and the villages with organizational system where conditions permit in the West Region will have roads, and to improve the rural road management and protection system. Actively develop renewable energy sources such as rural marsh gas, power generation with stalk, small hydropower stations, solar energy and wind energy and improve agricultural power grids. Establish the general telecommunication service fund, strengthen agricultural information network construction, develop rural postal service and telecommunication and basically realize telephone availability in all villages and internet access in all townships. According to the principle of land saving, facility supporting, energy saving and environmental protection and characteristic emphasis, well carry out countryside construction planning, guide peasants to build houses rationally and protect the characteristic rural building style and features.

##### Section 2 Strengthen Rural Environmental Protection

Conduct national survey for the present situation of solid pollution and comprehensively treat and control soil pollution. Prevent and control non-point source pollution such as pesticide, chemical fertilizer and agricultural field and strengthen pollution treatment for scaled cultivation farm. Push forward treatment of rural domestic wastes and wastewater and improve environmental sanitation and village appearance and style. Prohibit industrial solid wastes, hazardous wastes, town refuses and other pollutants from being transferred to rural areas.

##### Section 3 Actively Develop Rural Health Service

Strengthen rural health infrastructural construction with emphasis given to village and town health centres and improve rural tertiary health service and medical assistance system. Train rural health care personnel and carry out the activity for urban physician to support rural areas. Construct rural drug supply network and monitoring network. Strengthen the prevention and control of zoonosis such as bird flu. Improve rural birth control service system and implement the rural birth control family incentive and support system and the project of "bearing less and becoming rich rapidly".

##### Section 4 Develop Rural Social Security

Probe into and establish the rural endowment insurance system corresponding to rural economic development level and matching with other safety measures. Basically establish new type rural cooperative medicinal system. The places where conditions permit shall establish rural minimum living standard security system. Improve the social relief and assistance system such as support for the "five guarantees family", subsistence allowance for low income households and relief and assistance for disaster victims.

## **Chapter 7 Train New Type Peasants**

Accelerate the development of rural education, skill training and cultural causes and train the new type peasants who have culture, know techniques and can operate.

### **Section 1 Accelerate the Development of Rural Compulsory Education**

Make efforts to popularize and consolidate the rural nine-year compulsory education. Exempt tuition and miscellaneous fees from the students in rural compulsory education period and provide textbooks and grant living expenses to boarders. According to the principle of defining the responsibilities at various levels, sharing, and increasing, of financial investment by the Central and local governments, improving safeguard level and multiple-step organizing and implementing, comprehensively incorporate rural compulsory education into the public financed safeguard scope and construct rural compulsory education fund safeguard mechanism. Implement rural teacher training plan and enable 50% rural teachers in the Central and West Regions to receive a specialized training. Encourage urban organizations at various levels to serve the needs of agriculture with intelligence and increase the strength of urban teachers to support rural education. Comprehensively implement teleeducation in rural middle and primary schools.

### **Section 2 Strengthen Labour Force Skill Training**

Support scientific and technological training for new type peasants and improve peasants' farming skill and scientific and technological quality. Implement the training project for transfer of surplus rural labour forces and reinforce the working ability of rural labour forces. Implement the training project for rural practicable talents and train a large group of production experts, skilful craftsmen, managing staff and scientific and technical personnel.

### **Section 3 Develop Rural Cultural Cause**

Strengthen rural cultural facility construction and enlarge broadcast television and movie coverage. Guide cultural workers to go deep into countryside and satisfy the peasants' need of spiritual culture. Support rural amateur cultural team and encourage peasants to initiate cultural industry. Push the implementation of peasants' sports and bodybuilding project. Conduct the activities of "civilized villages and towns" and "civilized households" and guide peasants to develop the scientific, civilized and healthy life style.

## **Chapter 8 Increase Agricultural and Rural Investment**

Adhere to the "more grant, less levy and flexible policies" and accelerate the establishment of long term mechanism of promoting agriculture development through industrial measures and promoting rural area development through urban area construction. Adjust the national income distribution pattern and in the national fiscal expenditure and budget fixed asset investment, continuously increase the investment in agriculture and rural areas according to the principle of moderate inventory adjustment and key increment inclination. Enlarge the rural coverage by public finance and ensure the increase of financial investment in the three dimensional rural issues is higher than the previous year, additional fiscal expenditure for education, health and culture is mainly used in rural areas and the key point of infrastructural construction investment by the Central Government and local governments at various level is placed in agriculture and rural areas. Reform the governmental management method for agriculture supporting investment, integrate agriculture support investment and improve fund use efficiency. Encourage and support financing institutions to increase investment in agriculture and rural areas, actively develop petty credit and guide social funds to invest in agriculture and rural areas.

## **Chapter 9 Deepen Rural Reform**

Stabilize and improve the dual-level management system with contractual management on household basis as the basis and with the combination of centralization and decentralization. The places where conditions permit can circulate land contracting and managing right according to the law in the voluntary and paid principle and develop multi-form moderate scale management. Well carry out the arbitration service in the circulation of land contracting. Consolidate reform achievements of rural expenses of taxation, comprehensively push forward comprehensive rural reform and basically complete reform tasks of village and township institutions, rural compulsory education and county and township financial control system. Deepen rural reform of monetary system, standardize the development of financing institutions conforming to rural characteristics, exert the agriculture supporting action of rural credit cooperatives and establish and improve rural financial system. Steadily push forward collectively owned forest right reform. Accelerate land requisition system reform and improve rational compensation mechanism for the peasants whose lands expropriated. Enhance the service function of collective economic organizations at village level.

All out push forward the construction of agricultural grassroots organizations. Make efforts to well carry out the construction of village Party organizations and concurrently push forward the supporting construction villager self-governing organization and other village level organization. Actively promote the construction of village level organization activity areas. Strengthen the construction of rural grassroots cadre team. Promote political affair disclosure and democratic management and improve the village self-governing mechanism full of vitality under the leadership of the village Party organization.

#### Special Column 4: Key Project of New Village Construction

**Large scaled grain, cotton and oil production base and high quality grain industrial project.** Construct area by area high yield and dependable crop commodity grain production bases in the main grain production zones and continue to construct high quality cotton base and high quality oil plant zone. In the 484 main grain production counties (cities) in the 13 main grain production project, construct 10,000 mu area by area standard green farm and implement such projects as fine variety breeding, prevention and control of plant diseases and insect pests and advancement of agricultural machinery.

**Soil fertilization project.** Increase the farmland quality construction strength of the medium and low yield farmland with high potential of yield increase and construct inheritance and transformation demonstration base for different types of new clay fertilizer technologies to increase the basic soil fertility of medium and low yield farms in the project implementation zone one grade higher.

**Plant protection project.** Improve county (city) level grassroots stations and provincial level sub-centers and construct a group of ecological and biological disaster control demonstration bases, pesticide safety test evaluation centers and biotechnology test regional centers.

**Supporting renovation for continued construction of large irrigation areas and renovation of large scaled flood drain pump stations in the four central provinces.** Carry out supporting for continued construction and water saving renovation for large scaled irrigation areas. Update and renovate the existing large scaled flood drain pump stations in the four provinces of Hunan, Hubei, Jiangxi and Anhui.

**Fine breed project of crop cultivation and fish breeding and poultry raising.** Construct agricultural crop germ plasma resource pool, agricultural crop improvement center, fine variety breeding base, animal, poultry and aquatic product stock and fine breed site, aquatic product inheritance breeding center, germ plasma resource pool and test center etc.

**Animal epidemic prevention system.** Construct and improve the six major systems of animal epidemic disease monitoring and prewarning, prevention and control, quarantine supervision, animal remedy quality supervision and residue monitoring, epidemic disease technical support and epidemic disease material safeguard.

**Agricultural product quality safety inspection and test system.** Construct national level agricultural product quality standard and test technology research center, agricultural product quality test center, regional quality inspection center, provincial level comprehensive agricultural product quality inspection center and county level agricultural product test station.

**Agricultural drinking water safety.** Resolve the problem that 100 million rural residents drink high-fluorine water, high arsenic water, bitter, contaminated water, and the problem of substandard water quality in schistosomiasis stricken area and microorganism overlimit as well as serious water shortage in local regions.

**Rural road.** Construct and improve 1.2 million kilometers of rural roads and all townships and towns and administrative villages where conditions permit will have roads.

**Rural marsh gas.** Construct the rural household use marsh gas project with the basic content of biogas generating pit, piggy-bry change, toilet change and kitchen change, as well as the large and medium sized marsh gas projects such as joint sealed animal and poultry cultivation farm and

cultivation districts.

**Power supply to village and green energy county project.** Build 50 green energy demonstration counties and take advantage of power grid extension, wind electric power generation, small hydropower stations and solar energy PV power generation etc to resolve the problem of electricity utilization by the 3.5 million people without electricity.

**Rural medical health service system.** With emphasis given to the village and town health centers in the Central and West Regions, concurrently construct county hospitals, mother and child health care institutions and country traditional Chinese medical hospitals (material hospitals).

**Rural birth control service system.** With emphasis given to the county and township technical service stations in the Central and West Regions, construct county level service stations, center village and town service stations and mobile service cars etc.

**Transfer and employment of rural labor force.** Strengthen rural labor force skill training, employment service and right and interest safeguard service ability construction and provide free legal policy advice, employment information, employment guidance and job introduction for the peasants who leave home to work.

### Part 3 Push Forward Industrial Structure Optimization and Upgrading

According to requirements of the new type industrialization road, adhere to having the market as orientation, the enterprise as principal part and the reinforcement of independent innovation ability as the central link, continue to exert the competitive advantage of labour intensive industry, adjust and optimize product structure, enterprise organizational structure and industrial layout, promote integral technical level and comprehensive competitive force and enlarge and strengthen the industry.

#### Chapter 10 Accelerate the Development of High-Tech Industry

According to the requirements of industrial concentration, scaled development and international cooperation expansion, accelerate and promote the extension of high-tech industry from processing and assembly to independent research and development and manufacture, push forward the industrialization independent innovation achievements and guide the formation of a group of leading industries with core competitive force, a group of industrial bases with outstanding concentrating effect, a group of transnational high tech enterprises and a group of well known brands with independent intellectual property rights.

##### Section 1 Promote Electronic Information Manufacturing Industry

According to the overall trend of digitalization, networkization and intelligentization, all out develop the core industries such as integrated circuit, software, new type parts and components, mainly foster the information industry group such as photoelectric communication, wireless communication, high performance computation and network equipment, construct industrial bases including software, microelectron and photoelectron etc and promote the formation of optoelectronic industrial chain. Develop key technology of information industry, reinforce innovation ability and competitive force and extend industrial chain.

##### Section 2 Foster Bioindustry

Exert China-specific biological resources superiority and technical superiority and mainly develop biomedicine, biological agriculture, biological energy sources and biological manufacture aiming at the major demand of health, agriculture, environmental protection, energy resource and material fields. Implement the special project of biological industry and make efforts to realize the new breakthrough in the key technology in biological industry and the research and development of important product. Improve market access system, protect specific biological resources and safeguard biosafety.

##### Section 3 Boost Airspace industry

By adhering to the combination of far and near locations, army-civilian integration and combination of independent development with international cooperation, develop new branch line

airplane, large airplane, helicopter and advanced engine and airborne equipment and enlarge subcontracted production and boost industrialization; drive the aerospace industry to change from test application type to business service type, develop communication, navigation remote sensing etc satellite and their application, and form the aerospace industrial chain for space, ground and terminal product manufacture and operation service.

#### Special Column 5: Major Special Items for High-Tech Industrial Project

**Integrated circuit and software.** Construct integrated circuit research and development centre and realize 90nm and below integrated circuit process technological industrialization. Develop foundation software, middleware, large key application software and integrating system.

**New generation network.** Construct the next generation internet demonstration project, the digital TV network covering the nation and the mobile communication demonstration network. Realize new generation network key technology, key equipment, and key software industrialization and build new generation information network infrastructure. Realize the special industrialization of digital audio and video products.

**Advanced computation.** Break through the quadrillion high performance computer system technology, construct network based advanced computer platform and realize the industrialization of tens scale high performance computer.

**Biomedicine.** Construct a group of major disease prevention and control vaccine and gene engineering drug industrialization demonstration projects, perfect the modern Chinese medicine system and increase new drug development and manufacturing ability.

**CHD aircraft.** Develop several trunk lines, branch lines, utility aircrafts and helicopters. Develop advanced engines.

**Satellite application.** Research and develop new type meteorological, ocean, resource and communication satellites and develop non-toxic, pollution-free large thrust carrier rocket. Construct ground observation satellite and transit satellite system, domestic satellite ground system facilities and application demonstration project.

**New material.** Construct the industrialization demonstration project of various high performance and new type materials urgently needed in information, biology and aerospace industries etc.

#### Section 4 Develop New Material Industry

Aiming at the development demand of such industries as information, biology, aerospace, major equipment and new energy, mainly develop special functional materials, high performance structural materials, nanometre materials, composite materials and environmental protection and energy saving materials and establish and perfect the new material innovation system.

#### Chapter 11 Vigorously Develop Equipment Manufacturing Industry

##### Section 1 Vigorously Develop Major Technical Equipment

Make efforts to break through the core technology and improve the integral level of major technical equipment research and development and design, core parts and components supporting, processing and manufacture and system integration. Strengthen organization and coordination, strengthen policy support and rely on key projects to complete technical standards. Research and develop a group of major technical equipment having significant influence and driving action on the national economic safety, technical progress and industrial upgrading in the fields of high grade NC machine tool and fundamental manufacture equipment, and high efficiency clean power generation and power transmission and transformation, and guide the formation of a group of enterprises with strong competitive force and integrated with research, development, design and manufacture.

##### Section 2 Promote Automobile Industry level

Reinforce the independent innovation ability in automobile industry and accelerate the development of automobile engine, automobile electronics, key assemblies and parts and components with independent intellectual property rights. Exert the function of backbone enterprises and improve the market share of passenger cars of independent brands. Encourage the development and use of energy saving and environmental protection and new type fuel

automobiles. Guide enterprises to realize merger and recombination in competition and form several enterprises with the capacity of one million vehicles.

### Section 3 Enlarge the Strength of Shipbuilding Industry

Strengthen independent ship design capability and construction of ship equipment supporting capability and large shipbuilding facilities, optimize the three major ship forms of bulk cargo ship, tank ship and container ship and mainly develop high-tech and high added value new type ship and ocean engineering equipment. Build shipbuilding base in the regions around Bohai Sea, Changjiang Estuary and Zhujiang Estuary etc and guide the shipbuilding enterprises in other regions to make rational layout and concentrated development.

#### Special Column 6: Key Point of Vigorous Development for Equipment Manufacturing Industry

**Large scaled high efficiency clean power generation equipment.** One million KW grade nuclear power generating unit, ultra-supercritical thermal power generating unit, gas-steam combined cycle unit, integral coal gasification gas-steam combined cycle unit, large circulating fluidized bed boiler, large hydropower generating unit and pumped storage unit, large air cooled unit and high pressure wind generating set etc.

**Ultra-high voltage power transmission and transformation equipment.** Grasp the manufacturing technology for  $\pm 500$ KV DC and 750KV AC key power transmission and transformation equipment and develop 1,000KV extra high voltage AC and  $\pm 800$ KV DC complete transmission and transformation equipment.

**Large scaled complete ethylene equipment.** Push forward the nationalization of one million ton grade large scaled complete ethylene equipment and complete p-xylene and terephthalic acid equipment.

**Large scaled complete coal chemical processing equipment.** Equipment for coal liquefaction and gasification and olefine production with coal.

**Large scaled metallurgical equipment.** Large scaled complete steel metal cold and hot tandem rolling equipment and coating and plating process equipment.

**Comprehensive excavation equipment in coal mines.** Large scaled comprehensive coal shaft excavation, transportation and lifting, washing and dressing equipment and large scaled surface mine equipment.

**Large ship equipment.** Large scaled ocean platform engineering equipment, 300,000t ore and crude oil transport ship, container ship with more than 10,000 standard containers, liquefied natural gas transport ship etc. large, high tech, high added value ships and high power diesel engine equipment.

**Rail transit equipment.** Grasp the core technology and realize the nationalization of the equipment such as  $\geq 200$ km/h high speed rail train and new type subway vehicles.

**environmental protection and comprehensive resource utilization equipment.** Large scaled environmental protection equipment such as air pollution control and treatment, urban and industrial wastewater treatment and solid waste treatment, and comprehensive resource utilization equipment such as seawater utilization and rejected vehicle treatment etc.

**NC machine tool.** Increase the level of large scaled, precision and high speed NC equipment and NC system as well as functional parts.

### Chapter 12 Optimize the Development of Energy Industry

Adhere to giving priority to conservation and base ourselves upon inland and have coal as the basis to realize pluralistic development. Optimize production and consumption structure and build the stable, economic, clean and safe energy supply system.

#### Section 1 Orderly Develop Coal

Strengthen coal resource exploration and realize unified planning and rational development, and enhance coal recovery and reduce impact of coal mining on ecological environment. Construct large scaled coal base, encourage coal enterprises to carry out combined restructuring and guide the formation of several enterprises with 100,000,000t production capacity. Encourage advantageous coal enterprises to implement the coal electricity joint venture or integrated operation of coal, electricity and transport. Adjust, innovate and reorganize medium and small

sized coal mines and legally close down the coal mines without the safe production conditions and with resource and environmental destruction.

Strengthen the comprehensive treatment for coal mine gas and accelerate the development and utilization of coalbed gas. Strengthen clean coal production and utilization, encourage the development of coal washing and dressing and comprehensive utilization of lower calorific value coal and gangue power generation and develop and spread the technologies such as high efficiency clean combustion and flue gas desulphurization. Develop coal chemical industry and coal-based liquid fuel and orderly push forward the construction of coal liquefaction demonstration project to promote the transformation of deep coal processing.

#### Section 2 Actively Develop Electric Power

Optimally develop thermal power with emphasis given to large scaled high efficiency environmental protection units. Construct large scaled ultra-supercritical power stations and large air cooled power stations. Push forward power generation with clean coal, build 60MW unit circulating fluidized bed power plants and initiate the integral coal gasification gas-steam combined cycle power plant project. Encourage the development of mine mouth plant and build large scale coal power generation base. Properly develop natural gas power generation and accelerate the elimination of backward small thermal power units.

Orderly develop hydropower on the basis of ecological protection and well carry out resettlement of affected residents, environmental governance and flood prevention and nautical navigation. Build hydropower bases in Jinsha River, Yalong River, Lantsang River and upper reaches of Yellow River and the large scaled hydropower stations including Xiluodu and Xiangjiaba etc. Properly build pumped storage stations.

Actively push forward nuclear power construction. Mainly construct one million KW grade nuclear power station. Gradually realize the independent design, manufacture, construction and operation of advanced pressurized water reactor nuclear power station. Strengthen nuclear fuel resource survey, exploitation and process technology innovation and key nuclear power technology development and nuclear power talent fostering.

Strengthen power grid construction. Construct the three major power transmission channel of West-East Power Transmission Project and transregional power transmission and transformation project. Expand the scale of West-East Power Transmission and continue to push forward West-East Power Transmission, South-North Mutual Aid and countrywide network connection. Strengthen regional and provincial level power grid construction, synchronously develop power transmission and distribution network, strengthen urban and rural power grid construction and innovation, complete urban and rural power distribution network, enlarge power supply scope and ensure power supply safety.

#### Section 3 Accelerate the Development of Petroleum and Natural Gas

Accelerate the exploration strength of petroleum and natural gas resources. Strengthen oil gas resource survey and evaluation, enlarge exploration range, mainly explore sea area, main oil gas basin and new land oil gas area and carry out non-conventional oil gas resource survey and exploration such as coalbed gas, oil shale, oil sand and gas hydrate. Push ward pluralistic subject of oil gas exploration and development.

Pay equal attention to oil and gas, stably increase crude oil yield and increase natural gas yield. Strengthen dependable yield innovation of old oil fields and suspend the degression of old field yield. Accelerate oil gas resource development in the regions such as deep sea area, Tarim, Junggar, Erdos, Qaidam and Sichuan Basins. Adhere to equality and cooperation and mutual benefit and win-win and enlarge overseas oil gas resource cooperation and development.

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Moderately construct import natural gas project in the coast regions and expand and construct national petroleum reserve base.

Accelerate the planning and construction of oil gas trunk pipe network and supporting facilities and gradually complete national oil gas pipeline network. Build West-East Oil Transmission and North-South Oil Transport product oil pipe. Construct at appropriate time the second West-East Gas Transmission Pipeline and land route import oil gas pipeline.

#### Section 4 All Out Develop Renewable Energy Resources

Carry out preferential finance and taxation and investment policies and mandatory market share policies, encourage the production and consumption of renewable energy resources and increase its proportion in the primary energy consumption. All out develop wind energy and build 30 more than 100,000kw large scaled wind power generation projects and form one million KW wind power generation bases in Inner Mongolia, Hebei, Jiangsu and Gansu etc. Accelerate the development of biomass energy, support the development of power generation with stalk, waste incineration and bio-diesel oil, construct a group of stalk and forest mass power stations, and enlarge the production capacity of biomass solid fuel, fuel ethanol and bio-diesel oil. The synchronized installed capacity wind power generation and biomass power generation reaches 5 million KW and 5.5 million KW. Actively develop and utilize solar energy, geothermal energy and ocean energy.

#### Chapter 13 Adjust raw material industrial structure and distribution

According to the principle of total quantity control, backward elimination, restructuring acceleration and level promotion, accelerate the adjustment of raw material industrial structure and distribution, reduce consumption and pollution and increase product grade, technical content and industrial concentration ratio.

#### Section 1 Optimize the Development of Metallurgical Industry

Adhere to domination of domestic demand, make efforts to resolve surplus production capacity, strictly control additional iron and steel production capacity, accelerate the elimination of backward technology, equipment and product and improve iron and steel product grade and quality. Push iron and steel industry to develop recycle economy and exert the product manufacture, energy conversion and waste digestion and treatment function of iron and steel enterprises. Encourage enterprises to carry out transregional collectivized restructuring and form several enterprises with international competitive force. In combination with the relocation of urban iron and steel enterprises such as Shougang and elimination of backward production capacity, construct CaoFeidian iron and steel base. Actively utilize low grade iron ore resources.

Control the total quantity of electrolytic aluminium, moderately develop alumina, encourage the development of deep aluminium processing and new type alloy material and enhance the comprehensive utilization level of aluminium industrial resources. Increase the exploration strength of copper, lead zinc and manganese ore resources, increase backup resources and stabilize mine production. Control the construction scale of copper, lead and zinc smelting and develop further processed products and new type alloy materials. Strengthen rare earth and tungsten, tin and antimony resource protection and promote the application of rare earth in the high-tech industry.

#### Section 2 Adjust Distribution of Chemical Industry

According to base, large scale and integration direction, adjust the distribution of petrochemical industry. In the concentrated oil product consumption regions, moderately expand oil refining production capacity mainly through expansion; in the concentrated oil product consumption regions without oil refining industry, rationally arrange new projects; and in the regions with



relatively redundant production capacity, control oil refining scale. Close down, stop, merge and change small low efficiency oil refining devices. Rationally arrange large scaled ethylene projects and form several Refinery-Chemical integration bases and prevent mass action all at once.

Adjust the distribution and structure of chemical fertilizer, pesticide and agricultural film industries. Construct million tons level urea base in the energy production region and grain and main cotton production regions. Construct phosphate fertilizer bases in Yunnan, Guizhou and Hubei and potassium fertilizer bases in Qinghai and Xinjiang. Control the total quantity of pesticide, improve pesticide quality and develop high efficiency, low toxic and low residue pesticide. Develop and popularize degradable agricultural films.

Optimize the development of basic chemical materials, actively develop fine chemical industry and eliminate high pollution chemical enterprises.

Enhance independent drug development ability, consolidate traditional chemical bulk drugs and develop characteristic bulk drugs. Strengthen Chinese medicine resource survey, protection, development and sustainable utilization, construct Chinese medicine resource base and all out develop Chinese medicine industry.

### Section 3 Promote the Sound Development of Building Material and Building Industry

With emphasis given to the conservation of energy resources, protection of ecological environment and improvement of product quality grade, promote the structural readjustment and industrial upgrading of the building industry. In the places where conditions permit, develop at and above 5,000/d new type dry-process cement and gradually eliminate the backward production capacity including vertical kiln. Improve the quality and processing depth of building materials such as glass. All out develop energy efficient and environmental protection new type building materials, insulation materials and green decoration materials.

Push forward the technical advancement of the building industry, perfect the engineering construction standard system and quality and safety supervision mechanism, develop building standard parts, promote construction mechanization and enhance building quality.

### Chapter 14 Promote the Level of Light and Textile Industry

Make efforts to forge the independent brands, improve quality, increase varieties, satisfy diversified demands, enlarge top grade market share, consolidate and enhance the competitive power of the light and textile industry.

#### Section 1 Encourage the Light and Textile Industry to Improve Manufacturing Level

Use the new technologies such as information, biology and environmental protection to innovate the light and textile industry. Adjust the raw material structure of paper making industry, reduce water resource consumption and pollutant discharge, eliminate backward straw pulp production line and carry out forest and paper integration project in the regions where conditions permit. All out develop food industry, improve finish and deep processing level and safeguard food safety. Encourage household appliance, plastic product, leather and other light and textile industries to develop new products and improve technical content and quality.

#### Section 2 Encourage the Textile Industry to Increase Added Value

Increase the technical content and the proportion of independent brands of the textile industry. Develop high tech, high performance, differential, green and environmental protection fibre and recovered fibre and enlarge the development and utilization of industrial textile products, silk and non-cotton natural fibres. Push the transfer of textile industrial gradient.

## **Chapter 15 Actively Push Forward Informatization**

Adhere to driving industrialization with informatization and promoting informatization with industrialization to improve the level of economic and social informatization.

### **Section 1 Accelerate the Informatization of Manufacturing Industry**

Innovate the manufacturing industry with informatization, advance production equipment digitalization, production process intelligentization and enterprise management informatization and promote the change of research and development and design, production and manufacture, material circulation and warehousing, and marketing in the manufacturing industry. Improve the informatization level of electromechanical equipment and realize precision and accurate and high efficiency production. Popularize the technologies such as total distributed control, field bus control, and agile manufacture and strengthen online monitoring, prewarning and control of production process.

### **Section 2 Deeply Develop Information Resources**

Accelerate the construction of the national basic information bank and promote basic information sharing. Optimize information resource structure. Strengthen information acquisition in the fields of production, circulation, science and technology, population, resource and ecological environment and strengthen deep development, prompt processing, dissemination, sharing and efficient utilization of information resources.

### **Section 3 Perfect the Information Infrastructure**

Actively push ahead the "Convergence of Three Networks". Construct and perfect wideband communication network, accelerate the development of wideband user access network and stably push forward the construction of the new generation mobile communication network. Construct the digital TV network integrated with cable TV, ground and transmission. Build the next generation internet and accelerate commercialized application. Formulate and improve network standards and promote interconnection and intercommunication and resource sharing.

### **Section 4 Strengthen the Information Safety Guarantee**

Actively defense and comprehensively prevent and improve information safety guarantee ability. Strengthen the information safety infrastructural construction including safety monitoring and control, emergency response, key management and network trust. Strengthen the safety protection of basic information network and important national information systems. Push ahead information safety product industrialization. Develop specialized information safety service such as consultation, determination and review and disaster recovery. Improve safety grade protection, risk assessment and safety access system.

## **Part 4 Accelerate the Development of Service Industry**

Adhere to marketization, industrialization and socialization direction, broaden fields, expand scales, optimize structure, reinforce functions and standardize market and improve the weight and level of the service industry.

## **Chapter 16 Widen the Productive Service Industry**

All out develop mainly producer oriented service industry, refine and deepen professionalized work division, reduce social transaction costs and improve resource allocation efficiency.

### **Section 1 Give Priority to the Development of Traffic Transport Industry**

Unifiedly plan and rationally distribute traffic infrastructure, well carry out the mutual link-up of various transportation means, exert the combination efficiency and integral advantage and construct convenient, unobstructed, high efficiency and safe integrated transport system.

Accelerate the development of rail transport. Mainly construct passenger special line, intercity rail transit and coal transport channel and preliminarily form the personal rapid transit and coal transport network. Expand road network in the West Region, strengthen road network in the Central Region and Perfect road network in the East Region. Strengthen the construction of container transport system and major passenger and cargo hubs. Construct 17,000km new railway line including 7,000km special passenger transport line.

Further improve road network. Mainly construct national highway network and basically form the framework of national highway network. Continue to perfect national highway and provincial trunk road network and get through inter-provincial channel and exert the integral efficiency of road network. The total distance of roads reaches 2.3 million kilometres including 65,000km free way.

Actively develop water transport. Perfect the layout of coastal and riverside ports, mainly construct container, coal, import oil and gas and iron ore transfer and transport system. Expand port's throughput capacity. Improve sea gate navigation channel, improve the conditions of inland rivers to be open to navigation. Construct the high grade navigation channel network including Changjiang Gold Watercourse, Changjiang Delta and Zhujiang Delta and push forward the combined river and sea transport.

Optimize civil airport layout. Expand large scaled airport, perfect medium scaled airport and increase small scaled airport and increase the airport density in the Central and West Regions and the Northeast Region. Improve airline network. Construct modern air traffic control management system.

#### Special Column 7: Key Project of Traffic Infrastructure

**Railway** Construct Beijing-Shanghai, Beijing-Guangzhou-Shenzhen, Harbin-Dalian, Zhengzhou-Xi'an, Shanghai-Ningbo-Shenzhen and Nanjing-Wuhan-Chengdu passenger railway lines for passenger traffic, Beijing-Tianjin, Shanghai-Nanjing, Shanghai-Hangzhou, Nanjing-Hangzhou, and Guangzhou-Zhuhai intercity rail transit, Xiangjiang-Meizhou Bay, Lanzhou-Chongqing, Taiyuan-Zhongwei (Yinchuan) railways and Qinghai-Tibet Railway extension line, and Daireng-Qinghuangdao, Shouzhou-Huanghua railway capacity expansion and reconstruction.

**Highway** Construct Daxing-Shanglu, Beijing-Fuzhou, Beijing-Houy Kong (Macao), Beijing-Kunming, Beijing-Harbin, Shenyang-Haikou, Baotou-Maoming, Qingdao-Yinchuan, Nanjing-Luoyang, Shanghai-Xi'an, Shanghai-Chongqing, Shanghai-Kunming, Fuzhou-Yingchuan and Guangzhou-Kunming expressways.

**Port** Construct coal, import petroleum and gas, import iron ore transfer and transport system and container transport systems for Dalian, Tangshan, Tianjin, Qingdao, Shanghai, Ningbo-Zhoushan, Fuzhou, Xiamen, Shenzhen, Guangzhou, Zhanjiang and Hong Kong coastal ports. Construct coal transfer and storage bases at appropriate time in East China and South China.

**Water transport** Construct Changjiang Estuary Deep Channel Governance Phase III Project, Zhujiang Estuary Sea Gate Channel Project, Changjiang River System, and Zhujiang Water System and Beijing-Hangzhou Canal Channel Governance Project and accelerate the construction of inner river ports of Chongqing, Wuhan and Nanjing.

**Airport** Expand Beijing, Shanghai, Guangzhou, Hangzhou, Chengdu, Shenzhen, Xi'an, Urumchi, Zhengzhou, Wuhan airports, relocate Kunming and Hefei Airport etc and construct branch line airports in the Central and West Regions and the Northeast Region.

Optimize transport resource allocation. Strengthen hub link and inland transport completion and promote transport integration. Develop and apply high tech technologies such as high speed heavy load and large scaled specialized transport and new generation navigation system and spread multimodal container transportation and express delivery service. Apply information technology to promote transport management level and popularize intelligent traffic transport system. Develop transport intermediary service such as cargo agent and passenger and cargo marketing. Construct international navigation centres of Shanghai, Tianjin and Dalian.

### Section 2 All Out Develop Modern Material Circulation Industry

Popularize modern material circulation management technology, promote enterprise-wide material circulation socialization, and realize series operation of enterprise material procurement, production organization, product sales and renewable resource recovery. Foster specialized material circulation enterprises and actively develop the third party material circulation. Establish material circulation standardization system, strengthen material circulation new technology development and utilization and push material circulation informatization. Strengthen the integration of material circulation infrastructure, establish large scaled material circulation hub and develop regional material circulation centre.

### Section 3 Orderly Develop Financing Service Industry

Improve financial system, perfect service function, innovate service types and enhance service quality. Standardize and develop medium and small banks with different types of ownership and the non-bank financial institutions such as security company, finance company, financial lease company and fund management company. Encourage financial innovation, steadily develop comprehensive financial service and support the development of network financial service. Actively develop medium and small enterprise oriented financing and petty credit. Perfect the payment and settlement system and increase payment and liquidation efficiency. Improve the registration, trusteeship, and transaction and liquidation system of financial market. Develop overseas financial service and foreign exchange risk management and comprehensive financing etc and provide convenient service and foreign exchange risk avoidance tools for cross-border operation of enterprises.

Broaden insurance service field and develop endowment insurance and medical insurance and exert the important functions of commercial insurance in the perfection of social security system. Develop agricultural insurance and liability insurance and establish nationally supported agricultural and catastrophe reinsurance system. Broaden insurance fund exertion channel and develop new service modes such as network insurance.

### Section 4 Actively Develop Information Service Industry

Improve basic service of post and telecommunication, develop value added service, explore rising service and promote general service. Adjust telecommunication service structure and develop 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 platform. Develop inter-enterprise electronic commerce and popularize the third party electronic commerce transaction and service aiming at the medium and small enterprises and key industries and regions.

Push ahead electronic government affairs. Integrate network resources, establish unified electronic government affairs network, build government affairs information platform, data exchange centre and digital certification centre, and promote inter-departmental information sharing and business cooperation. Develop basic data resources and office resources and perfect the key business system. Improve portal website system interacting between the government and the enterprise and the public and legally disclose government affair information and promote the standard of procedure for handling affairs. Foster public information service institutions and develop and utilize public information resources.

Strengthen mapping infrastructural construction, enrich and develop and utilize geographic information resources and develop geographic information industry. Encourage the digital content industrial development in the fields of education, culture, publication, and broadcast movie and television, enrich Chinese digital content resources and develop cartoon industry.

### Section 5 Develop Commercial Service Industry in a Standardized Way

Broaden and standardize the legal services such as lawyer, notarization, legal aid, judicial expertise and economic arbitration. Develop investment and assets management service for project planning, financial consultant, procurement and restructuring and listing. Develop, in a standardized way, the economic authentication service such as accounting, auditing, taxation, assets evaluation, calibration, test and goods inspection. Support the development of consultation service such as market survey, engineering consultation, management consultation and credit service. Encourage the development of specialized industrial design. Promote advertising industry development. Rationally plan exhibition hall and develop conference and exhibitor industry.

### Chapter 17 Enrich Consumption Service Industry

Adapt to the upgrading trend of residents' consumption structure, continue to develop consumer oriented service industry, enlarge supply of deficient service product and meet the diversified service demand.

### Section 1 Promote Commercial and Trade Service Industry

Encourage the development of ownership type and diversified operation form, good faith and people-conveniencing retail and food and beverage commercial and trade services. Actively develop modern circulation mode and organization form such as chain operation, concession operation and material circulation and distribution. According to the requirement of urban function optimization and traffic easing, rationally adjust urban commercial network point structure and layout.

### Section 2 Develop Real Estate Industry

Adjust housing supply structure, mainly develop general commercial housing and economically affordable housing and strictly control large area high grade commercial housing. According to principle of supply guarantee and house price stabilization, strengthen the adjustment and control of the primary and secondary real estate market and lease market to promote echelon housing consumption. Improve real estate development and financing mode, strengthen capital management and develop in a standardized way the housing consumption credit and insurance. Standardize realty management behaviour and improve marketization degree.

### Section 3 All Out Develop Tourist Industry

Comprehensively develop domestic tourism, actively develop inbound tourism and develop overseas tourism in a standardized way. Rationally develop and protect tourist resources, improve infrastructure, push the construction of key tourist zones and tourist lines and standardize tourist market order. Continue to develop sightseeing tourism, develop leisure and vacation as well science popularization, agricultural, industrial and ocean subject tourism etc and perfect self-service tourist service system. Continue to promote red tourism. Accelerate the integration and restructuring of tourist enterprises and encourage the development of characteristic tourist commodities.

### Section 4 Strengthen Town Public Utility

Give priority to development of public transit, improve urban road network structure and public transit site and station, and make rail transit the preferred field and plan it in advance and construct it in appropriate time in the big cities and city groups where conditions permit. Actively develop taxi industry. Strengthen the innovation and centurion of urban water supply and drainage and reclaimed water pipe network, reinforce safe water supply ability and enlarge the use range of regenerated water. Rationally plan and construct and innovate urban centralized heat supply and fuel gas facilities.

#### Section 5 Accelerate the Development of Community Service Industry

Aiming at the people-conveniencing service, mainly develop community health and homemaking service, community, safety insurance, old people and infant curing, food distribution, repair service and waste and old material recovery etc. Smooth community management system, push community service standardization and networkization construction.

#### Section 6 Develop Sports Cause and Sports Industry

Strengthen the construction of sports facilities in the basic urban and rural levels and various schools, carry out all people bodybuilding activities and improve the body constitution of all the people and especially the youth. Protect and develop national and civilian sports. Deepen sports reform and encourage social forces to initiate sports causes and invest in sports industry. Develop in a standardized way the sports and body building, contest and performance, sport lottery, sports goods as well multi-form sports organizations and operating entities. Improve competition and sports level and well hold Beijing Olympic Games and Guangzhou Asian Games.

#### Chapter 18 Policies to Promote the Development of Service Industry

Break monopoly and release access fields and establish open, equal and standard industrial access system. Encourage social funds to invest in the service industry and increase the weight of non-public economy. In the fields outside the public service, it is necessary to accelerate industrialization reorganization according to the principle of separation profitability and non-profitability. Profitability institutions shall be restructured into enterprises and establish modern enterprise system as soon as possible. Continue to push forward the socialized reformation logistic service of governmental agencies and institutions. Adopt active finance, taxation and land and price policies and support the development of the key field of service industry, weak link, rising industry and new type industry. Perfect the service industry standard system and push forward service standardization. Big cities shall place the development of service industry in the preferred position and the places where conditions permit shall gradually form the industrial structure mainly based on the service economy.

#### Part 5 Promote Regional Coordinated Development

According to resource environmental bearing capacity, development basis and potential and in compliance with the requirements of exerting comparative advantage, strengthening weak link and enjoying equal basic public service, gradually form the regional coordinated development pattern that primary function is clearly oriented, the east, central and west beneficially interact and the difference between the public service and the people's living standard tends to decrease.

#### Chapter 19 Implement the Overall Regional Development Strategy

Adhere to implementing the overall regional development strategy of pushing the West Development, boosting the old industrial base such as the Northeast Region, promoting the Central Region to grow up, and encouraging the East Region to take the lead in development, improve coordinated regional interacting mechanism and form the rational regional development layout.

#### Section I Push Forward the Western Development

The Western Region shall accelerate the step of reform and opening to the outside world and reinforce its own development ability through national support, own effort and regional cooperation. Adhere to stringing points with line and diving area with point and rely on central cities and highways to carry out key development. Strength infrastructural construction, construct cross-border and transregional railway and new channel for West-East Coal Transport, build the "Five Longitudinal and Seven Transverse" west road sections and eight inter-provincial highways

and construct power supply base and West-East Power Transmission Project. Consolidate and develop the achievements of returning farmland to forest and continue advance the ecological projects such as return pasture to grassland and natural forest protection, strengthen vegetation protection, increase the treatment strengthen of desertification and hammada and strength the prevention and control of water pollution in key regions. Strengthen the protection and construction of ecological safety barrier in Qinlai Tibetan Plateau. Support the change of resource advantage to industrial advantage, all out develop characteristic industry, strengthen clean energy, superior mineral resource development and processing and support the development of advanced manufacturing industry, high tech industry and other superior industries. Strengthen and improve public service, give priority to the development of compulsory education and vocational education, improve medial medical and sanitation conditions and push forward talent development and scientific and technological innovation. Construction and perfect the border port facilities, strengthen economic and technological cooperation with neighbouring countries and carry out frontier trade. Implement and deep the Western Development policy, increase policy support and financial transfer payment strength and promote the establishment of long term and stable Western Development fund channel.

#### Section 2 Boom the Old Industrial Bases such as Northeast Region

The East Region shall accelerate industrial restructuring and state owned enterprise reform, restructuring and renovation to realize vigorous development in the reform and opening to outside world. Develop modern agriculture, strengthen grain base construction, push agricultural scaled, standardized, mechanized and industrialized operation and increase commodity rate and added value. Construct bases of advanced equipment, top quality steel, petrochemical, automobile, ship and deep agricultural and sideline product processing and develop high tech industry. Establish resource development compensation mechanism and declining industry aid mechanism, give priority to the resource depletion type city economic transformation experimental spots such as Fuxin, Daqing, Yichuan and Liaoyuan and well carry out slum-dweller reconstruction and coal mining settling area treatment. Strengthen the infrastructural construction such as the Northeast and East Railway Channel and trans-provincial highway transport channel, accelerate market system construction and promote regional economic integration. Expand economic and technical cooperation with neighbouring countries. Strengthen comprehensive treatment of water loss and soil erosion and the North-eastern and Western desertification. Support the booming of the old industrial bases in other regions.

#### Section 3 Promote the Grow-Up of Central Region:

The Central Region shall rely on the existing foundation to promote industrial level, promote industrialization and urbanization and grow up while exerting the advantages of linking the east and west and industrial development. Strengthen the construction of modern agriculture and especially main grain production areas, increase investment in agricultural infrastructural construction, reinforce the production capability of bulk agricultural products like grain and promote transformation and value increase of agricultural product processing. Support Shanxi, Henan and Anhui to strengthen the construction large scaled coal bases and develop mine mouth plants and coal and power cogeneration. Accelerate the structural readjustment of superior industries such as iron and steel, chemical industry, non-ferrous metal and building materials and form the top grade raw material base. Support the development of equipment manufacturing industries such as mine machinery, automobile, agricultural machinery, rolling stock and power transmission and transformation equipment and the high tech industries such as software, photoelectron, new material and bioengineering. Construct comprehensive traffic system and mainly construct trunk railway and road, inland river port and regional airport. Strengthen infrastructural construction like material circulation centre and perfect the market system.

#### Section 4 Encourage the East Region to Take the Lead in Development

The Eastern Region shall take the lead in improving independent innovation ability, realizing the optimizing and upgrading economic structure and change of growth mode and perfecting socialist market economic system and to help the Central and West Regions to develop while taking the lead in development and reform. Accelerate the formation of a group of independent intellectual property rights, core technologies and well known brands and improve industrial quality and competitive power. Give priority to the development of advanced manufacturing industry, high tech industry and service industry and make efforts to develop intensive processing and top class products. Promote the upgrading of processing trade, actively carry on the transformation of high tech industry and modern service industry, improve export-oriented economic level and reinforce international competitive power. Strengthen farmland protection and develop modern agriculture. Enhance utilization efficiency of resources and especially land and energy, strengthen ecological environmental protection and reinforce sustainable development ability. Continue to exert the functions of special economic zone and Shanghai Pudong New Area, push forward the development and opening of Tianjin Coastal New Area, support the economic development of the across strait and other regions where Taiwan merchants are relatively concentrated to drive regional economic development.

#### Section 5 Support the Development of Old Revolutionary Base Areas, Minority Nationality Regions and border areas

Increase financial transfer payment strength and financial investment strength and support the old revolutionary base areas, minority nationality regions and border areas to accelerate their development. Protect natural ecology and improve infrastructural conditions. Develop pre-school education, accelerate the popularization of compulsory education, well carry out the ethical junior high school and senior high school classes in central cities and strengthen the construction of ethical universities and higher education in minority nationality regions. Construct minority folk traditional cultural community, support minority publication cause and establish bilingual teaching demonstration zone. Strengthen minority talent team construction and stabilize talent team in minority nationality regions. Support development ethical characteristic industry, ethical urgently needed commodities, ethical medical industry and other superior industries. Preferably resolve the poverty problem of extremely poor minorities, support the economic and social development of ethical groups with relatively small population and push forward the action of booming the border area and enriching the people. Continue to implement the policies of supporting the development of the Tibet, Xinjiang and Xinjiang Production and Construction Corps.

#### Section 6 Improve Regional Coordination and Interacting Mechanism

Improve market mechanism, break the restriction of administrative division, promote the interregional free flow of production elements and guide industrial transfer. Improve cooperative mechanism, encourage and support all regions to carry out multi-form regional economic coordination and technical and talent cooperation and that the East drives the West to develop and the East, Central and West region jointly develop. Improve mutual aid mechanism: developed regions shall use aid and social donation methods to help and support underdeveloped regions. Improve support mechanism and, in accordance with service equalization principle, increase the state's support for underdeveloped regions. The state shall continue to increase support to the Central and Western Regions in economic policy, fund investment and industrial development.

#### Chapter 20 Push the Formation of Principal Function Area

According to resource environmental bearing capacity, existing development density and development potential, consider, in a unified way, China's population distribution, geographical distribution of the different sectors of the economy, territory utilization and urbanization pattern, divide land space into four principal functional zones of optimal development, key development, restricted development and prohibited development, and adjustment and perfect regional policies



and performance evaluation according to the principal functional localization, standardize space development order and form the rational space development structure.

#### Section 1 Development Direction of Optimized Development Zone

Optimized development area refers to the region where land development density is already high and resource environmental bearing capacity starts to decline. It is necessary to change the mode of realizing rapid economic growth by relying on extensive occupation of land, considerable consumption of resources and excessive discharge of pollutants, put the increase of growth quality and benefit in the first place, promote the level to participate in the global work division and competition and continue to be the lead zone that drives the national economic and social development and the principal zone for China to participate in the economic globalization.

#### Section 2 Development Direction of Key Development Zone

Key development zone refers to the region where resource environmental bearing capacity is relatively strong and economic and population concentration condition is relatively good. It is necessary to substantiate infrastructure, improve investment and business establishment environment, promote industrial group development, enlarge economic scale, accelerate industrialization and urbanization, undertake the industrial transfer of the optimized development zone and the population transfer of restricted development zone and prohibited development zone and gradually become the important carrier to support national economic development and population concentration.

#### Section 3 Development Direction of Restricted Development Zone

Restricted development zone refers to the region where resource environmental bearing capacity is relatively weak and large scale concentrated economic and population condition is not good enough and which is related to the ecological safety in the country or greater regional ranges. It is necessary to adhere to protection priority, moderate development, point development and adjust measures to local conditions to develop characteristic industry bearable by resource environment, strengthen ecological remediation and environmental protection, guide overloaded population to orderly transfer and gradually become the national or regional important ecological functional zone.

#### Special Column 8 Functional Orientation and Development Direction of Some Restricted Development Zones

**Da Xing'anling and Xiao Xing'anling Forest Ecological Functional Zone:** prohibit non-protective logging, conduct tree planting and afforestation and headwater conservation, and protect wildlife.

**Changbai Mountain Forest Ecological Functional Zone:** prohibit non-protective logging, conduct tree planting and afforestation and headwater conservation and prevent water loss and soil erosion.

**Chusandian Forest Ecological and Biodiversity Functional Zone:** protect biodiversity and multiple rare and precious animal/plant banks.

**Qilab Biodiversity Functional Zone:** moderately develop hydroenergy, reduce forest felling and protect wild species.

**Southeast Tibetan Plateau Edge Forest Functional Zone:** protect natural ecological system.

**Xinjiang Altay Mountains Forest Ecological Functional Zone:** prohibit non-protective logging and rational renew forest land.

**Qinghai Sanjiangyuan Prairie Meadow Wetland Ecological Functional Zone:** close land for grassland, reduce stock-carrying capacity, expand wetland, conserve biodiversity, prevent grassland degradation and carry out ecological restoration.

**Xinjiang Tarim River Desert Ecological Functional Zone:** rationally utilize surface water and ground water, adjust agricultural and animal husbandry structure and strengthen drug development management.

<b>Xinjiang Aerial Grassland Desert Ecological Functional Zone:</b> control the range of grazing and tourist region, prevent illegal hunting and reduce disturbance of human activities
<b>Northwest Tibetan Qiangtang Plateau Desert Ecological Functional Zone:</b> protect desert ecological system, prevent illegal hunting and protect wide animals.
<b>Northeast Sanjiang Plain Wetland Ecological Functional Zone:</b> expand protection range, reduce agricultural development and urban construction strength and improve wetland environment.
<b>North Jiangsu Coastal Wetland Ecological Functional Zone:</b> stop reclamation, expand wetland protection range and protect south-north bird migration channel.
<b>Sichuan Ridge Plateau Wetland Ecological Functional Zone:</b> stop reclamation, reduce excessive development, maintain wetland area and protect rare and precious animals.
<b>Qiansi Yellow River Important Water Source Recharge Ecological Functional Zone:</b> strengthen the protection of natural forest, wetland and plateau wildlife, carry out returning land to forest and grass, herdsmen settlement and ecological resident relocation.
<b>Chuanbian Rebe Valley Ecological Functional Zone:</b> return land to forest, irrigation and grass, carry out comprehensive treatment, prevent water loss and soil erosion and reduce population density.
<b>Inner Mongolia Helan Boir Grassland Desertification Prevention and Control Zone:</b> prohibit excessive reclamation, improper firewood cutting and overload grazing, return pasture to grass and prevent and treat pasture lands deterioration and desertification.
<b>Inner Mongolia Horqin Desertification Prevention and Control Zone:</b> take highly pertinent treatment measures according to desertification degree.
<b>Inner Mongolia Hunshandake Desertification Prevention and Control Zone:</b> take plant and engineering measures and strengthen comprehensive treatment.
<b>Mawusu Desertification Prevention and Control Zone:</b> restore natural vegetation and prevent expansion of sand dune activation and desert area.
<b>Loess Plateau Hill and Ravine Water Loss and Soil Erosion Prevention and Control Zone:</b> control development strength, comprehensively treat water loss and soil erosion with small watershed unit and construct wrap land dam.
<b>Dabie Mountain Soil Erosion Prevention and Control Zone:</b> carry out ecological resident relocation, reduce population density and restore vegetation.
<b>Guangxi, Guizhou and Yunnan Karst Stone Desert Prevention and Control Zone:</b> close the land for reforestation and grass planting and animal raising, carry out ecological resident relocation, change cultivation mode and develop ecological industry and superior non-agricultural industries.

#### Section 4 Development Direction of Prohibited Development Zone

Prohibited development zone refers to various nature reserve areas established legally. It is necessary to carry out compulsory protection according to laws and regulations and related planning, control the interference of human factors with natural ecology and prohibit from the development activities not conforming to the principal functional orientation.

##### Special Column 9: Prohibited Development Zone

**National nature reserves:** totally 243, 89.44 million hectares.

**World cultural and natural heritage:** totally 31.

**Natural key famous scenic sites:** totally 187, 9.27 million hectares.

**Natural forest park:** totally 565, 11 million hectares.

**Natural geological park:** totally 138, 480,000 hectares.

## Section 5 Implement Classified Management Regional Policy

The financial policy shall increase the financial transfer payment for the restricted development zone and prohibited development zone for compensation for public service and ecological environment and gradually enable local residents to enjoy equal basic public service. Investment policy shall mainly support the restricted development zone and prohibited development zone in their construction of public service facilities and protection of ecological environment and support the key development zone in its infrastructural construction. Industrial policy shall guide the optimized development zone to transfer the processing industry and labour intensive industries that occupy extensive land and have high consumption and to promote industrial structural level; guide the key development zone to strengthen industrial supporting ability construction, guide the restricted development zone to develop characteristic industry and restrict the industrial expansion not conforming to the principal functional orientation. Land policy shall carry out stricter construction land increment control for the optimized development zone and properly enlarge the construction land supply for the key development zone while ensuring the basic farmland is not reduced, and carry out strict land use control for the restricted development zone and prohibited development zone and prohibit change of ecological land usage. Population management policy shall encourage the exotic population having fixed jobs and residences in the optimized development zone and key development zone to settle down and guide the population in the restricted development zone and prohibited development zone to gradually transfer voluntarily and orderly. Performance evaluation and achievement evaluation shall strengthen the evaluation of economic structure, resource consumption and independent innovation etc and weaken the evaluation of economic growth for the optimized development zone; comprehensively evaluate economic growth, quality benefit and industrialization and urbanization level for the key development zone; emphasize the evaluation of ecological environmental protection etc and weaken the evaluation of economic growth and industrialization and urbanization level for the restricted development zone, and mainly evaluate ecological environmental protection for the prohibited development zone.

## Chapter 21 Promote the Sound Development of Urbanization

Adhere to coordinated development of big, medium and small cities and small towns, enhance comprehensive urban bearing capacity, actively and stably push forward urbanization according to the principle of step by step, land conservation, intensive development and rational layout, and gradually change the urban and rural dualistic structure.

### Section 1 Guide Population Urbanization by classes

For the people who temporarily go to work in cities, continue to carry out the policy of being engaged both in industrial and agricultural production and urban and rural two-way flow and legally safeguard their legal rights and interests in labour reward, labour time, legal holiday and safety protection; for the people who already have fixed jobs and residences in cities, create conditions to make them gradually change into urban residents and legally enjoy the rights owned by local residents and bear due obligations; for the rural population who have lost their land due to land requisition for urban construction and will change into urban residents, the city government shall provide employment assistance, skill training, unemployment insurance and minimum life guarantee etc. Encourage rural population to settle down in medium and small cities and small towns and the megalopolises shall proceed from adjusting the source of industrial structure and form the mechanism of using economic means to control excessively rapid population growth.

### Section 2 Form Rational Urbanization Spatial Layout

Make city agglomeration as the principal form for pushing ahead urbanization and gradually form the highly efficient, coordinated and sustainable urbanization spatial layout that the coastal and Beijing-Guangzhou Line and Beijing-Harbin Line is the longitudinal axis, the Changjiang River and Longhai Railway Line is the transverse axis, several city agglomerations are the principal part,

other cities and small towns are spot distributed and permanent farmland and ecological functional zones are spaced.

The regions of Beijing-Tianjin-Hebei, Changjiang Delta and Zhujiang Delta where city agglomeration has formed shall continue to exert the leading and radiation actions, strengthen work division and cooperation and advantage complementation of all cities in the city agglomeration and shall reinforce the overall competitive power of the city agglomeration.

The regions that have the conditions of urban agglomeration development shall strengthen unified planning and with megalopolis and megapolis as the leader, exert the functions of central cities and form several new city agglomerations with less land utilization, more employments, strong element concentration ability and rational population distribution.

The regions with disperse population and poor resource conditions that do not have the conditions for city agglomeration development shall mainly develop existing cities, county towns and organic towns and become the concentrating centre of economy, population and public service in the region.

#### Section 3 Strengthen Urban Planning Construction Management

Planning of city scale and layout shall conform to the local natural bearing capacity such as water and soil resource, environmental capacity and geological structure and suit local economic development, employment space, infrastructure and public service supply ability.

Strengthen urban water head site protection and water supply facility construction. Water deficient cities shall properly control city scale and prohibit the development of high water consumption industries and construction of high water consumption landscape. The cities where groundwater is exploited excessively shall control groundwater exploitation and prevent land subsidence. The construction of urban road, water supply and drainage, energy, environment protection, telecommunication and cable television shall break the departmental and local separation and be carried out in a coordinated way on the basis of unified planning to reduce blind filling and excavation and demolition and construction. Strengthen the construction of comprehensive disaster prevention and reduction and emergency management ability. Steadily push forward the innovation of urban dilapidated and old houses and "Urban Village" and safeguard the legal rights and interests of the households that have to be relocated due to pull-down of the original home. Urban planning and architectural design shall extend the history, continue the culture, emphasize characteristic, and protect ethical and cultural heritage and famous scenery resources. Strengthen the monitoring and management of urban planning, push forward comprehensive urban management and improve urban management level.

#### Section 4 Improve the System Mechanism of Urbanization Development

Accelerate the demolition of the system obstruction for urban and rural separation and establish and improve the finance and taxation, land requisition, administrative management and public service systems. Improve administrative division setup and management mode. Reform the urban and rural separated employment management system, deepen domicile system reform and gradually establish urban and unified population registration system.

### Part 6 Construct Resource Efficient and Environmental Friendly Society

Implement the basic national policy of resource conservation and environmental protection, construct low investment, high yield, low consumption, low emission, circulating and sustainable national economic system and resource efficient and environmental friendly society

#### Chapter 22 Develop Recycle Economy

Adhering to paying equal attention to development and conservation and conservation priority and according to the principle of reduction, reutilization and beneficial treatment and, in the links of resource exploitation, production consumption, waste production and consumption etc, gradually establish the resource recycling system for the whole society.

#### Section 1 Conserve Energy Resources

Strengthen the policy orientation for energy conservation and high efficiency utilization and increase energy saving strength. Realize structural energy conservation by optimizing industrial structure and especially reducing the weight of high energy consumption industry; realize technical energy conservation by developing and popularizing energy conservation technology; and realize management energy conservation by strengthening system construction in the industries such as energy production, transport and consumption. Increase the implementation strength of automobile fuel oil economic indicators and accelerate the elimination of old transport equipment. Formulate substitute liquid fuel standards and actively develop petroleum substitute products. Encourage the production and use of high efficient energy saving products.

#### Special Column 10 Key Energy Conservation Projects

**Low efficiency industrial boiler (kiln) improvement:** use the technologies such as circulating fluidized bed and pulverized coal firing to improve or replace existing medium and small coal fired boiler (kiln).

**Regional cogeneration:** develop cogeneration and combined production of heat, power and cold to rebuild the distributed small heating boiler into centralized heat supply.

**Exhaust heat and excess pressure utilization:** carry out exhaust heat and excess pressure utilization in iron and steel and building material industries.

**Saving and replacing petroleum:** take oil saving measures in electric power and traffic transport industries and develop petroleum replacement products such as coal liquefaction and alcohol ether fuels.

**Motor system energy conservation:** conduct optimization and improvement of motor driven fan and water pump system.

**Energy system optimization:** carry out system energy optimization in petrochemical and iron and steel industries to enable the comprehensive enterprise energy consumption to reach or approach the world advanced level.

**Building energy conservation:** strictly execute building energy conservation design standard, push the innovation of existing building energy conservation and popularize new type wall materials and energy saving products etc.

**Green lighting:** popularize high efficiency and electricity saving lighting system in public facilities, hotels, commercial buildings, office building and residences.

**Governmental agency energy conservation:** government agency buildings shall be reconstructed according to building energy conservation standard and use of energy saving products etc are popularized in government agencies.

**Energy conservation monitoring and technical service system construction:** update monitoring equipment and strengthen personnel training etc.

#### Section 2 Water saving

Develop agricultural water conservation, push forward rainwater accumulation and storage, construct water saving irrigation forage grass base, improve water utilization efficiency and

basically realize the zero growth of total irrigation water. Mainly promote the water saving technical innovation of high water consumption water in thermal power and metallurgical industries. Give priority to urban water saving work, compulsorily popularize the use of water saving equipment and utensils and enlarge the use of regenerated water. Strengthen the water saving facility construction of public buildings and residences. Actively carry out seawater desalination, direct seawater utilization and utilization of mine water.

### Section 3 Land use saving

Implement the basic national policy for land protection. Control total quantity, strictly control increment and mobilize stock and control the scale of changing agricultural land to construction land. Establish and improve land use quota standard and carry out multi-floor standard workshop. Conduct rural land arrangement, adjust layout of residential areas, control land occupation by rural residential areas and carry out reclamation of waste land. Control construction of big urban squares and develop energy saving and land saving public buildings and residences. Realize the prohibition of the use of solid clay bricks in all cities in 2010.

### Section 4 Saving Materials

Push ecological product design, popularize technical process for material conservation and encourage the use of small, light duty and regenerated materials. Improve building quality, extend service life and advocate simple and practicable building decoration. Push the conservation and substitution of wood, metal and cement etc. Prohibit excessive package. Standardize and reduce the production and use of disposable products.

### Section 5 Strengthen Comprehensive Resource Utilization

Give priority to the comprehensive utilization of coal and ferrous and nonferrous concomitant mineral resources. Push forward the utilization of industrial wastes such as fly ash, gangue, metallurgical waste residue and chemical waste residue as well ore tailings. Push the recycling of stalk, agricultural field and animal and poultry feces. Establish the producer responsibility extension system, push the recovery and utilization of waste paper, waste and old metal, waste and old tyre and waste electronic products. Strengthen the beneficial use of domestic wastes and sludge.

Push the industries such as iron and steel, ferrous metal, coal, electric power, chemical, building material and sugar refining to carry out recycle economy innovation and form a group of recycle economy demonstration enterprises. Carry out recycle economy experimental spot in key industries, fields, industrial parks and cities. Develop high efficiency ecological economy such as the Yellow River Delta and the Three Gorges Reservoir area etc.

#### Special Column 11 Recycle Economy Demonstration and Experimental Spot Project

**Key industry:** construct a group of recycle economy demonstration enterprises such as Jigang, Baogang, Angang and Begang, Pangang, China Aluminum, Jinchuan Co., Jiangxi Copper Industry and Luben Chemical Co. etc.

**Industrial park:** construct resource recycle industrial chain and park centralized heat supply and waste treatment center and construct several recycle economy industrial demonstration zones such as Caoferdian in Hebei and Chaidamu in Qinghai.

**Renewable resource recovery and utilization:** construct renewable resource recovery and utilization market and processing demonstration bases such as Miluo in Hunan.

**Secondary metal utilization:** construct several >300,000t secondary copper, secondary aluminum and secondary

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lead demonstration enterprises.

**Waste and old household appliance recovery and treatment:** construct several waste and old household appliance recovery and utilization demonstration bases.

**Reproducing:** construct several auto engine, transmission, motor, tyre recapping etc reproducing demonstration enterprises.

#### Section 6 Strengthen the Policy Measures to Promote Conservation

Accelerate recycle economy legislation. Carry out unit energy consumption objective responsibility and evaluation system. Improve the energy consumption and water consumption admittance standard and main energy consuming products and building energy efficiency standard for key industries and energy saving design specification and water catchment quota standard for key industries. Strictly execute technical standard and material consumption accounting system for design, construction and production. Carry out the compulsory elimination system of high water consumption backward technology, technique and equipment. Implement compulsory energy efficiency identification system and energy saving product certification system. Strengthen power demand side management, government energy saving procurement and contract energy source management. Implement the finance and taxation, price and investment policies conducive to resource conservation, comprehensive utilization and petroleum replacement product development. Reinforce the resource deficiency awareness and conservation awareness of the whole society.

#### Chapter 23 Protect and Remedy Natural Ecology

The key point of ecological protection and construction shall change for post-mortem treatment to prior protection and change from artificial construction based to natural recovery base so as to turn the ecological deterioration trend from the sources.

#### Special Column 12 Key Ecological Protection Project

**Natural forest resource protection:** carry out comprehensive and effective management and protection for the 94.18 million hectares of natural forest and other forest in the project region and plant 5.79 million hectares of forest in the project areas in the upper reaches of Changjiang River and the upper and middle reaches of Yellow River.

**Return land to forest and grass:** continue to carry out returning land to forest and grass in the water loss and soil erosion area in Changjiang and Yellow River drainage basins and north windy sand regions.

**Return pasture to grass:** treat the seriously deteriorated grassland in the four areas: east part of Inner Mongolia, west of Inner Mongolia, Gansu and Ningxia, east of Qinghai-Tibet Plateau and north of Xinjiang.

**Windy sand source treatment in Beijing and Tianjin:** return 342,000 hectares of land to forest, plant 290,000 hectares of forest in the barren mountain and deserted region in Yilin, artificially plant 1.29 million hectares of forest, airplane plant 1.45 million hectares of forest, plant 950,000 hectares of trees and grass to fix the sand and treat 2.91 million hectares of grassland.

**Protective forest system:** construct the "Three North" Protective Forest System Phase IV Project, Changjiang and Zuojiang Protective Forest and Taihang Mountain Greening, Plain Greening AND Coastal Protective Forest System Project. Push the construction of the Three Gorges Reservoir Area green belt.

**Wetland protection and remediation:** construct 222 wetland protection zones including 49 national ones and restore important wetlands by means of rational allotment and distributor and management for water resources.

**Ecological protection and construction of Qinghai Sanjiangyuan Nature Reserve:** returning pasture to grass: 6.44 million hectares, returning farmland to forest and grass: 6,500 hectares, closing the land for reforestation, prevention and control of desertified land, and wetland protection and black earth shoal: 800,000 hectares, treatment of damage by wild rat: 2.09 million, treatment of water loss and soil erosion: 50,000 hectares.

**Conservancy engineering:** increase 19 million hectares of water loss and soil erosion treatment area. Implement the comprehensive treatment for Shiyang River Valley.

**Construction of wildlife protection and nature reserves:** construct and improve a group of nature reserves and continue to implement the rescue

project for extremely endangered species of wild fauna and flora

Comprehensive treatment of stone desert region: increase stone desert region treatment strength by means of vegetation protection, returning farmland to forest, closing the land for reforestation and grass, planting grass and stock keeping, rationally developing and utilizing water resources, land treatment and soil conservation, changing cultivation system, constructing rural marsh gas and supporting the poor by changing locations.

Establish important ecological functional zone in the restricted development zones such as natural forest protection zone and important headwater conservation zone to promote natural ecological restoration. Improve legality, determine subject, define responsibility and strengthen monitoring and management for nature reserves. Effectively protect biodiversity and prevent exotic harmful species from infringing our ecological system. Establish ecological compensation mechanism according to the principle of who develops protects and who benefits compensates.

#### Chapter 24 Increase Environmental Protection Strength

Adhere to prevention first and comprehensive treatment, strengthen pollution prevention from the source and resolutely change the situation of pollution before treatment and treating while polluting. Mainly resolve the conspicuous problems that affect economic and social development and especially seriously endanger people's health, effectively control pollutant discharge and improve as soon as possible the environmental quality in key drainage basin, key region and key cities.

##### Section 1 Strengthen Water Pollution Prevention and Treatment

Increase the water pollution prevention and control strength in the key drainage basins such as the "three rivers and three lakes" and key regions. Scientifically delimitate drinking water source protection zones, strengthen monitoring and control for pollution from major rivers and lakes, resolutely suppress direct pollution discharge ports in drinking water head sites and strictly prohibit the discharge of over-limit wastewater to rivers and lakes. Strengthen the construction of urban wastewater treatment facilities, comprehensively begin to collect wastewater treatment charges and enable urban wastewater treatment rate to be not lower than 70% in 2010.

##### Section 2 Strengthen Atmospheric Pollution Prevention and Control

Increase atmospheric pollution prevention and control strength in major cities. Accelerate the construction of desulfurizing facilities in the existing coal fired power plants and new built coal fired plants must install desulfurizing devices according to emission standard, advance the comprehensive treatment of sulphur dioxide in iron and steel, ferrous metal, chemical and building material industries. In the big and medium cities and their suburbs, strictly control the construction (expansion) of coal fired power plants other than cogeneration and prohibit from the construction (expansion) of high energy consumption enterprises such as iron and steel and metallurgy. Increase the treatment strength of urban smoke dust, dust, fine particulates and vehicle tail gases.

##### Section 3 Strengthen Prevention and Control of Solid Waste Pollution

Accelerate the construction of hazardous waste treatment facilities and properly treat hazardous waste and medical waste. Strengthen the monitoring and control of hazardous chemicals, strengthen heavy metal pollution treatment and push forward harmless disposal of stacked chromium residues. Strengthen safety supervision of nuclear facilities and radioactive sources and ensure nuclear and radiation environmental safety. Strengthen the construction of municipal waste treatment facilities, increase the collection strength of municipal waste treatment feeds and enable the harmless treatment rate of municipal domestic wastes to be not lower than 60%.

#### Special Column 13 Key Environmental Treatment Project

Key drainage basin water pollution treatment: water pollution treatment projects for the "three rivers and three lakes", Three Gorges Reservoir area, upper reaches of Changjiang River, middle and lower reaches of Yellow River, Songpan River, South-North Water Transmission water head



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and along its line:

**Flue gas desulfurization of coal fired power plant:** increase the desulfurization capacity of existing coal fired power plants and enable 90% existing power plants to emit waste gases after reaching the standard.

**Disposal of medical wastes and hazardous wastes:** construct the centralized disposal facilities of medical wastes and hazardous wastes and basically realize the safe disposal of medical wastes and hazardous wastes.

**Nuclear and radiation safety project:** accelerate the construction of medium and low radioactive waste disposal sites and resolve the permanent placement of highly radioactive wastes.

**Chromium residue pollution treatment:** carry out comprehensive treatment for stacked chromium residue and polluted soil and realize harmless disposal of all stacked chromium residue.

#### Section 4 Implement Powerful Environmental Protection Measure

All regions shall practically bear the responsibility for the environmental quality of their governed regions and implement strict environmental protection performance evaluation and environmental law enforcement responsibility system and accountability system. Governments at various levels shall make environmental protection investment be the key point of fiscal expenditure at their level and increase it year after year. Improve environmental monitoring and supervisor system, enhance monitoring and supervision ability and increase environmental law enforcement strength. Implement total discharge control, discharge permit and environmental impact assessment system. Carry out clean production audit, environmental labelling and environmental certification system, strictly execute compulsory elimination and within-limit-time treatment system and establish trans-provincial river section water quality evaluation system. Implement environmental quality bulletin and enterprise environmental information disclosure system and encourage the social public to participate in and supervise environmental protection. All out develop environmental protection industry, establish socialized and pluralistic environmental protection investment and financing mechanism and exert economic means to accelerate the process of pollution treatment marketization. Actively participate in the global environment and development affairs and earnestly fulfil environmental conventions.

#### Chapter 25 Strengthen Resource Management

Carry out limited development, orderly development and paid development and strengthen the protection and management of various natural resources.

##### Section 1 Strengthen Water Resource Management

Accommodate natural law, adjust water control concept, change from the pure flood control to the flood management and scientific rain flood resource utilization and change from paying attention to water resource development and utilization to water resource conservation, protection and optimization allocation. Strengthen unified management of water resources, plan domestic, production and ecological water use as a whole, well carry out allocation of upstream and downstream water, surface water and groundwater and control groundwater exploitation. Improve water catchment permit and paid water resource use system, carry out the combined system of total water utilization control and quota management, perfect the combined with water resource management system of watershed management and regional management and establish the national initial water right distribution system and water right transfer system. Complete South-North Water Transfer East Line and Middle Line Phase I Project and rationally plan and construct other water resource allocation projects.

##### Section 2 Strengthen Land Resource Management

Implement the strictest land management system. Strictly execute system of land examination and approval and compensation for land occupation within legal authority and prohibit from inviting businessmen to open companies by illegally lowering land price. Strictly manage the compilation

of overall land use plan, overall urban plan and village and market town plan. Strengthen land utilization plan management, usage control and project land pre-examination management. Strengthen village and town construction land management and reform and improve house site examination and approval system. Improve land protection responsibility evaluation system and carry out land management accountability system. Strengthen land property right registration and land assets management.

### Section 3 Strengthen Mineral Resource Management

Strengthen the unified planning and management for exploration and development of mineral resources, strictly control the access conditions of mineral resource development, reinforce qualification certification and license management and conduct development strictly according to laws and regulations and planning. Improve mineral resource development management system, set up exploration right and mining right, establish mining right trade system and perfect the paid mineral resource occupation system and mine environmental restoration compensation mechanism. Improve important resource reserve system, strengthen national important mineral product reserves and regulate reserve structure and layout. Realize the combination of national reserve and user reserve and implement compulsory reserve for big resource consumers.

## Chapter 26 Rationally Utilize Ocean and Climatic Resources

### Section 1 Protect and Develop Ocean Resources

Strengthen ocean awareness, maintain ocean rights and interests, protect ocean ecology, develop ocean resource, carry out comprehensive ocean management and promote ocean economic development. Comprehensively treat key sea area environment and inhibit the ecological deterioration trend in offshore areas such as Changjiang Estuary and Zhujiang Estuary. Restore offshore ocean ecological function, protect the ecological system in ocean and coastal zone such as mangrove, seashore wetland and coral reef and strengthen island protection and ocean nature reserve management. Improve ocean functional division, standardize ocean use order and strictly restrict sea sand exploitation. Pertinently explore and develop exclusive economic zone, continental shelf and international submarine resources.

### Section 2 Develop and Utilize Climatic Resources

Strengthen the rational development and utilization of aerial water resources, solar energy and wind energy. Develop meteorological cause, strengthen comprehensive monitoring such as meteorological satellite application and weather radar and establish advanced weather service business system. Reinforce disastrous weather pre-warning and forecast ability and improve forecast accuracy and time effect. Reinforce the ability of weather to serve the industry such as agriculture. Strengthen the monitoring, forecast and evaluation work for weather modification, constituent of atmosphere and climatic change.

## Part 7 Implement the Strategy of Rejuvenating the Country through Science and Education and the Strategy of Reinvigorating China through Human Resource Development

Make scientific and technological progress and innovation be the important driving force for economic and social development and put the development education and training of high quality talents having both ability and moral integrity in the more conspicuous strategic position. Deepen structural reform, increase investment, accelerate scientific and technological education development and make efforts to construct innovative country and strong human capital country.

### Chapter 27 Accelerate Scientific and Technological Innovation and leapover

Implement the national medium- and long-term scientific and technological development planning and in accordance with the policy of independent innovation, key leapover, sustainable development and leading the future, accelerate the construction of national innovation system, continuously enhance enterprises' innovation ability, strengthen the close combination of science, technology and economy and education and comprehensively improve the high tech integral strength and industrial technical level.

#### Section 1 All out Push the Independent Innovation

Strengthen fundamental research, leading edge technology research and social welfare technology research, make advanced deployment in the fields of information, life, space, ocean, nanometre and new material etc, concentrate Overwhelming Force, increase investment strength and strive for important breakthrough. In response to the national major strategic demand, initiate a group of major special scientific and technological projects, strengthen key technology research and development in energy, resource, environment, agriculture, information and health. Realize integration, innovation and leapover of core technologies. Implement major special industrial technological development projects and promote the digestion, absorption and re-innovation of introduced technologies.

#### Special Column 14 Major Special Scientific and Technological Projects and Major Scientific and Technological Infrastructure

**Core electric device, top class general chip and foundation software:** develop the key technologies such as top class electronic general devices and high confidence reconfiguration foundation software, information safety chip and device etc.

**Extremely large scaled integrated circuit manufacturing technology and packaging technology:** develop 65nm-45nm high speed, low power consumption chip and new type silicon based integrated circuit manufacturing technology and core integrated circuit equipment technology.

**New generation wideband wireless mobile communication:** develop a new generation wideband wireless mobile communication network, terminal and application technology.

**High speed NC machine tool and basic manufacturing technology:** develop high grade NC machine tool and complete basic manufacturing technology and research digitalized and intelligentized control unit.

**Large oil-gas field and coalbed gas development:** develop complete industrialization exploitation technology for oil gas resources under special geological conditions.

**Large scaled advanced pressurized water reactor and high temperature gas cooled reactor nuclear power station:** develop one million KW grade large scaled advanced pressurized water reactor nuclear power design technology and 210-330℃ modular high temperature gas cooled reactor commercialized technology.

**Water body pollution control and treatment:** research the key technologies such as typical drainage basin water pollution control, lake eutrophication prevention and treatment and water environmental ecological remediation.

**Transgenic new biological species breeding:** develop functional gene clone and verification and scaled gene operation core technologies and establish and improve the three major technical platforms including excellent germ plasma innovation, new variety breeding and scaled breed production.

**Major new drug development:** research and develop a group of new drugs having independent intellectual property rights and market competitive power and establish the research and development platform at international advanced level.

**Prevention and control of major infectious diseases such as AIDS and viral hepatitis:** establish efficient prevention and control technology system for AIDS and viral hepatitis, research and develop high efficiency specificity diagnostic reagent, vaccine and drug anti-viral technology.

**Large airplane:** develop complete large airplane design and manufacturing technology.

**High resolution ground observation system:** develop the advanced high resolution observation technology based on satellite, airplane and stratosphere airship and establish ground observation data centre and key application system.

**Manned space flight and moon project:** break through the major technology for astronauts to leave capsule for movement and spacecraft rendezvous and docking and establish the space laboratory attended in the short term and independently flying on orbit with a certain application.

scale. Develop key mission detection technologies and establish mission detection engineering system.

Major scientific and technological infrastructure: establish spallation neutron source, strong magnetic field device, large scaled astronomical telescope, integral ocean scientific research ship, aerial remote sensing system, freezing wind tunnel, continent structure environmental monitoring network, major engineering material service life research evaluation facilities, protein scientific research facilities, meridian engineering, extremely low frequency electromagnetic surveying network for underground resource and earthquake prediction and agricultural biological safety research facilities etc.

Adhere to paying equal attention to philosophy and social science and natural science and prosper and develop philosophy and social science. Implement Marxist theoretical research and construction project, build philosophy and social science innovation system, actively push theoretical innovation and further exert its important promotion actions for the economic and social development. Promote the combination of natural science with philosophy and social science.

#### Section 2 Strengthen the Construction of Independent Innovation Ability

Construct scientific and technological support system and comprehensively promote scientific and technological independent innovation ability. Construct national major scientific and technological infrastructure, implement knowledge innovation project, integrate research and experimental system, establish several world first class scientific research institutions and research type universities and build high level scientific research and talent training bases. Implement major science projects, strengthen the construction of national key laboratories, build national scientific basic condition platform and promote scientific and technologic resource sharing. Construct a group of industrial technological research and development and test facilities and improve industrial technological innovation ability. Strengthen the construction of scientific popularization ability and implement the all people scientific quality action plan.

#### Section 3 Strengthen the Principal status of Enterprise Technological Innovation

Accelerate the establishment of the technological innovation system with enterprise as the subject, market as orientation and combining production, learning and research and form the basic system framework of independent innovation. Strengthen the construction of national engineering laboratory, national engineering centre and enterprise technical centre and establish the basic support platform for enterprises' independent innovation. Develop technical innovation intermediary service such as technical consultation and technical transfer and form the socialized service system. Implement the financial and tax and monetary policies and government procurement policy that support independent innovation and enterprises to increase investment and development investment. Exert the innovation vitality of various enterprises and especially medium and small enterprises and encourage technological innovation and invention and creation.

#### Section 4 Increase the Protection of Intellectual Property Right

Strengthen citizens' intellectual property right awareness, improve intellectual property right protection system, establish intellectual property right pre-warning mechanism, and legally severely crack down the actions of impinging intellectual property rights. Strengthen metering basic research, improve national standard and system and promptly eliminate backward standards. Preferably adopt the technical standards with independent intellectual property rights and actively participate in the formulation of international standards. Develop the intellectual property right service such as patent, trademark, copyright transfer and agency and intangible assets evaluation etc.

#### Section 5 Deepen the Reform of Scientific and Technological System

Integrate scientific and technological resource, rationally allocate the force of basic research, leading edge technology research and social welfare research, promote the rational flow and cooperation of scientific research personnel between scientific research institutions, universities

and enterprises and build scientific and technological resource sharing mechanism. Deepen the enterprise system transformation and reform of technological development institutions and reform of social welfare scientific research institutions, improve modern scientific research institution system and form the open and cooperative research and development system. Improve scientific and technological management system and operation mechanism and reform the scientific and technological review and evaluation and achievement evaluation and reward systems. Establish pluralistic and multi-channel scientific and technological investment system, ensure that the growth amplitude of scientific and technological funds is apparently higher than that of fiscal ordinary revenue and gradually increase the proportion of national fiscal scientific and technological investment in the gross domestic product.

#### **Chapter 28 Give Priority to Education Development**

Comprehensively implement quality education, make efforts to complete the three major tasks of "Popularization, development and improvement", accelerate education restructuring, promote comprehensive and coordinated education development and build a learning society.

##### **Section 1 Popularize and Consolidate Compulsory Education**

Mainly strengthen rural compulsory education, make efforts to reduce the dropout rate of rural students and special schoolgirls, ethnic minority students and poor family students in the compulsory education phase and make the retention rate in the three-year junior high school in the country reach 95%. Push forward the balanced development of urban and rural and interregional compulsory education. Governments at various levels shall ensure that the children of the people who go to work in cities to equally receive the same compulsory education as the local students.

##### **Section 2 All Out Develop Vocational Education**

Mainly develop secondary vocational education and expand the annual enrolment scale to 8 million students. Develop multi-form vocational skill training. Reform the teaching method of vocational education, renew teaching content, push the fostering mode of work and learning combination and school and enterprise cooperation and establish elastic learning system. Promote the coordinated development between vocational education and ordinary senior high school education and improve school running level and quality.

##### **Section 3 Improve Higher Education Quality**

Place the focus of higher education development in the quality improvement and structure optimization, strengthen research and practice and foster students' innovation spirit and practice ability. Stably improve higher education popularization level, steadily develop ordinary university and college and master student education and improve higher level talent training quality. Pertinently strengthen the construction of higher level university and key subjects and push forward the coordinated development various universities and colleges. Continue to develop various adult educations.

##### **Section 4 Increase Education Investment**

Ensure that the growth amplitude of financial educational fund is apparently higher than that of financial ordinary revenue and gradually make the proportion of financial educational fund in the gross domestic product reach 4%. Strengthen the government's safeguard responsibility for compulsory education and increase the transfer payment strength of the Central Government and provincial governments for the compulsory educational appropriations of the counties suffering financial difficulties. Promote education equality and incline public education resources towards rural areas, the Central and Western Region, poverty stricken area and minority nationality regions as well as weak schools and poor families. Governments at various levels shall increase investment in vocational education and mainly support the rural student oriented secondary

vocational schools. Support the establishment of non-governmental charitable foundation organizations to support poor family students to go to school and encourage social circles to donate funds for schools. Continue to implement study loan, improve subsidy system aiming at students at various stages and perfect the system of helping poor family students for study. Enlarge the share of lottery public welfare funds in the special education.

#### Section 5 Deepen the Reform of the Management System of Education

Define that governments at various levels should provide public education, formulate and improve school setup standard, support the development of private education and form the school running pattern of joint development of state run education and private education. Form the pluralistic education investment system. Compulsory education is the full responsibility of the government, education in senior high school period is mainly invested by the government and vocational education and higher education are invested by the government and social investment complementarily. Standardize education charge and establish stringent education charge bulletin system. Form the education system conforming to the requirement of quality education, reform entrance exam system, push forward teaching course reformation, release overweight lesson burden of middle and primary school students and improve evaluation system. Form the right and responsibility defined education management system, provide schools more decision-making powers in subject, major, speciality, course setup and enrolment scale and talent engagement and foster and exert the advantages and characteristics of schools. Further strengthen the construction of teacher teams.

#### Special Column 15 Key Education Development Project

**Construction of rural boarding school in West Region:** in 2004-2007, the state allocates 10 billion Yuan fund to mainly support the western rural areas where the "two basics" have not been realized, to construct, expand or rebuild 7,700 rural boarding schools.

**Modern teleeducation of rural middle and primary schools:** in 2003-2007, the Central and local governments jointly allocate 10 billion Yuan fund to construct computer classrooms for 37,500 rural junior high schools in the west region, provide satellite teaching receiving equipment for 384,000 rural primary schools and provide teaching CD playing equipment and complete teaching CD for 110,000 primary schools.

**Reconstruction of rural junior high schools in the Central and Western Regions:** push the reconstruction of rural junior high school buildings in the Central and Western regions not incorporated in the "two basics" development plan to improve school running conditions and increase student retention rate and lodging rate.

**Construction of basic vocational education ability:** support 1,000 county level vocational education centers, 1,000 secondary vocational schools and 100 pilot higher vocational schools to improve school running conditions and form a group of backbone vocational education bases.

**Higher education Project "211" and "985":** continue to strengthen the construction of high level universities and major subjects, form a group of rising and intersubjects in the leading edge of scholar, some subjects approaching or attaining the world advanced level.

#### Chapter 29 Push Forward the Strategy of Revigorating China through Human Resource Development

Adhere to the principle that the Party manages talents, firmly set up the scientific concept of talent, enlarge talent team, enhance talent quality, optimize talent structure, improve staffing mechanism, exert the functions of talent and promote the country with large population to change to strong capital country.

#### Section 1 Construct High Quality Talent Team

Implement the Party and political talent training project, improve training system, strengthen theoretical education, vocational training and practice, enhance the ideological and political quality and administration ability of the Party and political talents and construct a high quality Party and political leader talent team. Implement entrepreneur training project, training and bring up a group of entrepreneurs with innovation awareness and ability and conforming to the requirement of economic globalization and push forward the professionalization and marketization of enterprise operation and management talents. Implement specialized technical talent knowledge renewing project and strategic high tech talent training project, establish a group of highly skillful talent training bases and public practice and training bases and construct highly skillful talent team. Strengthen rural practical talent training. Strengthen talent resource development and talent team construction in the Central and Western Regions and the Northeast Region. Encourage and guide the Chinese people studying abroad to return China to work and serve the country. Actively attract overseas high level talents.

#### Section 2 Innovate Talent Work Mechanism

Push ahead the market configured talent resources, eliminate the system obstruction for the development of talent market, standardize the management of talent market and build the social environment in which people of talent come out in succession and everyone can do his best. Deepen the reform of personnel system for cadres, perfect the personnel systematic management system for cadres in agencies, enterprises and institutions, and improve the talent evaluation, selection and appointment and inspiration and safeguard mechanism; focusing on moral character, ability and performance. Establish the comprehensive cadre examination and evaluation system conforming to the requirement of the scientific concept of development and pay attention to training talents in practice. Deepen professional title system reform. Implement the civil servant law and improve the system of public service. Governments at various levels and enterprises and institutions shall increase the investment in the development of talent resources, strengthen the ability construction of talent resource and form the pluralistic investment mechanism.

### Part 8 Deepen Structural Reform

Focusing on the reforms such as changing governmental functions and deepening enterprise, finance and taxation and banking, accelerate the improvement of socialist market economic system and form the mechanism conducive to changing the economic growth mode and promoting the comprehensive coordinated sustainable development.

#### Chapter 30 Make Efforts to Push Forward the Reform of the Administration System

According to the principle of simplification, unification and efficiency and the requirement of decision, execution and supervision coordination, establish the administrative management system of scientific decision making, equal right and responsibility, rational work division, smooth execution and power supervision and accelerate the construction of serving government, responsible government and legally governing government.

##### Section 1 Push Ahead the Change of Governmental Functions

According to the principle of separation of governmental functions from enterprise management, separation of 政资分开 government from assets, separation of government from affairs and separation of government from market intermediary organization, rationally delimit the government responsibility scope and strengthen the social management public service functions of the governmental at various levels. Further push the administrative examination and approval system reform and reduce and standardize administrative examination and approval. Deepen the restructuring of government administration, optimize organizational structure, reduce administrative hierarchy, smooth responsibility division, increase administrative efficiency, reduce administrative cost, and realize the scientific, standardization and legalization of governmental responsibility, institution and organization. Rationally divide the responsibility of

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the central and local governments in economic adjustment, market supervision and control, social management and public service. Accelerate the institution classification reform.

### Section 2 Improve the Government Decision Making Mechanism

Complete scientific and democratic decision making mechanism and improve the collective decision making, expert consultation, public disclosure and hearing and wrong decision making liability ascertainment system for major affairs. Carry out government affairs disclosure and gradually realize institutionalization, complete governmental news release system, enhance governmental work transparency and safeguard the citizens' right to know, to participate in, to express and to supervise the government work. Comprehensively push forward administration by law and administrative organs and their staffs shall strictly fulfil their responsibilities strictly according to legal authorities and procedure. Execute comprehensive law enforcement, strengthen supervision for administrative enforcement of law and establish law enforcement responsibility ascertainment system. Carry out citizens' requirement for government responsibility and improve administrative compensation system.

### Section 3 Deepen the Reform of Investment System

Determine enterprise's decision-making power for investments, gradually reduce the government's approval cope for investment projects and improve the enterprise investment project approval system and accreditation system. Rationally delimit the governmental investment scope and the central and local investment duties and responsibilities, improve and complete decision making rules and procedure, increase fund use efficiency and establish the government investment project decision making responsibility ascertainment system. Establish and complete the investment regulation and control system.

### Chapter 31 Adhere to and Improve Basic Economic System

Adhere to the basic economic system with public system as the subject and joint development of different types of ownership. Steadily consolidate and develop publicly-owned economy and steadily encourage, support and guide the development of non-public economy like individual and private economies.

### Section 1 Deepen State-Owned Enterprise Reform

Push the government capital to concentrate in the important industries and key fields critical to the national safety and national economic arteries, optimize state owned economic distribution, reinforce the controlling force, influence and driving force of the state owned economy and exert its leading function. Improve the flexible and rationally flowing mechanism of state owned capitals, accelerate joint stock system reform of large scaled state owned enterprises and most stated owned large scaled enterprises are restructured into pluralistic shareholder companies except that a few must be run by the sole national investment. Improve the capital stock structure of state owned enterprises, develop mixed ownership economy, realize pluralistic investment subject and property right, establish and improve modern enterprise system, form effective corporate legal person management structure and enhance enterprise vitality. Develop big company and big enterprise groups with relatively strong competitive power. Wholeheartedly rely on employees and masses to probe into the effective approach of democratic management by workers under the modern enterprise system. Continue to deepen collective enterprise reform and develop multi-form collective economy.

### Section 2 Improve State-Owned Assets Supervision and Control System

Formulate and improve the laws and associated administrative regulations for supervision and control system of operating state-owned assets, establish and complete government capital operation budget, enterprise operation performance evaluation and wrong major enterprise