

China Politics Weekly

Issue No. 174 – March 26, 2018



Dear friends and colleagues,

Sorry for the radio silence last week – totally overwhelmed with work helping clients to understand the *lianghui*. I've distilled what I think are the key outcomes for you below. There is a lot more where that came from, so if anybody wants my company Trivium's full report, get in touch.

Your comments and feedback are always welcome. Sign up or unsubscribe by sending an email to info@chinapoliticsweekly.com.

The “Two Sessions” in One Minute

1. Authority and decision making is increasingly centered in the person of Xi Jinping.
2. The Party apparatus will drive policymaking, while an increasingly subordinate government will be relegated to implementing the Party's directives.
3. China's new government leaders are loyal to Xi Jinping and skilled technocrats.
4. A MASSIVE government restructuring will help to eliminate overlapping responsibilities among government agencies, creating a more rational regulatory architecture.
5. However, given the scale of bureaucratic restructuring, the next nine to 12 months will be a time of transition, with attendant regulatory uncertainties.
6. The newly established National Supervisory Commission will enhance the Party's ability to enforce its directives, improving policy implementation.
7. Economic policy can be summarized as: stronger SOEs, active industrial policy, and more effective markets.
8. The three top policy priorities for 2018 are: mitigating risks in the financial system, improving environmental protection, and alleviating poverty.
9. Monetary and fiscal policy will remain proactively restrained, with the aim of supporting stable economic growth.
10. The 2018 legislative agenda reflects policy priorities, and includes drafting a Foreign Investment Law, E-Commerce Law, Resource Tax Law, Property Tax Law, and Soil Pollution and Prevention Law.

PBSC Week in Review

- Xi Jinping** Mar 23 **Xi received the credentials of 6 new ambassadors to the People's Republic of China.**
Party General Secretary; PRC President; Chairman of Central Military Commission
The ambassadors will represent the Bahamas, Hungary, Poland, Iceland, Ecuador, and Mozambique respectively.
- Mar 22 **Xi held talks with Cameroonian President Paul Biya.**
Xi said that China encourages the two countries to expand trade and enhance cooperation in major areas, and more Chinese enterprises to invest there. After the talks, the two presidents witnessed the signing of agreements on economic and technological cooperation, human resources development, infrastructure construction and industrial cooperation.
- Xi spoke with French President Emmanuel Macron by phone.**
Xi pledged to deepen ties, and promote multilateralism and an open global trade system. He expressed China's willingness to work with France to boost high-level exchanges, carry out mechanisms of dialogue and consensus on cooperation, and communicate on major issues in a timely manner, so as to make the China-France comprehensive strategic partnership stronger. Xi said China stands ready to join forces with France to enhance strategic communication and coordination, dedicate to safeguarding and improving the existing international order and system of global governance, uphold multilateralism, and promote multi-polarization and economic globalization, so as to build an open global trade system. The two heads of state also exchanged views on global and regional hot spot issues of mutual concern.
- Mar 21 **Xi reviewed reports the work summary reports of Politburo members.**
Politburo members are now required to submit annual self-assessments to Xi for his review.
- Mar 20 **Xi spoke with Indian Prime Minister Narendra Modi by phone.**
After expressing appreciation for Modi's congratulations on being elected President, Xi told Modi that China's recent Two Sessions achieved great success. Xi said China will deepen its reform and opening up, and will make greater contribution to the common development and progress of the world while continuing to realize its own development.
- Xi spoke at the closing meeting of the first session of the 13th National People's Congress.**
The meeting passed the resolution on the government work report. The meeting also approved and passed the Supervision Law. It passed the NDRC 2018 economic and social development plan. It approved the 2018 central budget. The meeting also approved and passed the NPC's Standing Committee work report, the decision on the Supreme People's Court work report, and the resolution on the Supreme People's Procuratorate work report.

Mar 19 **Xi attended the seventh plenary meeting of the first session of the 13th National People's Congress.**

Delegates confirmed Han Zheng, Sun Chunlan, Hu Chunhua and Liu He as vice premiers; Wei Fenghe, Wang Yong, Wang Yi, Xiao Jie and Zhao Kezhi as state councilors; Xiao Jie as secretary-general of the State Council; Yi Gang as governor of the People's Bank of China; Hu Zejun as auditor-general; as well other ministers, along with chairpersons, vice chairpersons and members of eight special committees of the 13th NPC. Each took an oath of allegiance afterward.

Xi spoke to Russian President Vladimir Putin by phone.

Xi said Putin's successful re-election as Russian president is the right choice made by the Russian people. He added he believed that under Putin's leadership, the Russian people will continue to focus their attention and energy and forge ahead in unity to keep making new achievements in national development and revival.

Xi sent a congratulatory message to Vladimir Putin on his re-election as Russian President.

Xi said that in recent years the Russian people have united as one in firmly advancing on the path of strengthening the nation, realizing rejuvenation and development, achieving remarkable success in economic and social development, and playing an important constructive role in international affairs. Xi expressed China's willingness to work with Russia to keep promoting China-Russia relations to a higher level, provide driving force for respective national development in both countries, and promote regional and global peace and tranquility.

Mar 18 **Xi attended the sixth plenary meeting of the first session of the 13th National People's Congress.**

Delegates confirmed Li Keqiang as Premier. Xu Qiliang, Zhang Youxia elected vice-chairmen of the CMC; Wei Fenghe, Li Zuocheng, Miao Hua, Zhang Shengming elected CMC members; Yang Xiaodu elected chief of the National Supervisory Commission; Zhou Qiang elected president of the Supreme People's Court; Zhang Jun elected procurator-general of Supreme People's Protectorate; 159 people elected NPC Standing Committee members.

Xi signed a presidential decree appointing Li Keqiang as Premier.

Xi nominated candidates for membership to the Central Military Commission.

Wei Fenghe, Li Zuocheng, Miao Hua, Zhang Shengming.

Mar 17 **Xi talked to German Chancellor Angela Merkel by phone.**

Xi and Merkel mutually congratulated each other on their election to President of China and Chancellor of Germany, respectively. Xi also said China and Germany should set an example of win-win cooperation, align their strategies, make a plan together for mutually beneficial cooperation in the next stage, push forward cooperation within the framework of the Belt and Road Initiative and achieve common development. China and Germany should also lead the development of

China-European Union (EU) relations, and play constructive roles in promoting China-EU strategic mutual trust and cooperation.

Xi attended the fifth plenary meeting of the first session of the 13th National People's Congress.

The meeting elected new government leadership: Xi Jinping as President and Chairman of the Central Military Commission (CMC) by a vote of 2970 to zero; Li Zhanshu as Chair of the NPC Standing Committee; Wang Qishan as Vice President; as well as 14 vice chairpersons and a secretary-general. The candidates swore an oath of office. The meeting also approved a State Council reform plan.

Mar 15 Xi attended the closing meeting of the first session of the 13th CPPCC National Committee.

A resolution on an amendment to the CPPCC Charter was passed. Xi's Thought was incorporated into the amendment as a guiding theory of the CPPCC. The definition of the CPPCC's nature and tasks was enriched, and the idea of "socialist consultative democracy" was written into the charter. A resolution on a work report of the Standing Committee of the 12th CPPCC National Committee, a report on the examination of proposals, and a political resolution on the annual session were also approved at the closing meeting.

Mar 14 Xi sent a congratulatory message to Angela Merkel on her re-election as German chancellor.

Xi said since the establishment of the comprehensive strategic partnership between China and Germany in 2014, the two countries have witnessed continuous development in bilateral ties, constantly deepened common interest and mutual cooperation, closer cooperation in improving global governance and boosting globalization and multilateralism, among other aspects. He said he attaches great importance to the development of the China-Germany relationship and is willing to work with Merkel to consolidate and boost mutual strategic trust, lift ties to a new level and achieve greater progress.

Mar 13 Xi sent a message of condolences to President Md. Abdul Hamid of Bangladesh and President Bidya Devi Bhandari of Nepal over the crash of a Bangladeshi airliner in Nepal.

Xi expressed regret over the crash and the heavy casualties it had caused. He also expressed deep condolences to the victims' families on his own behalf and on behalf of the Chinese government and people.

Xi attended the fourth plenary meeting of the first session of the 13th National People's Congress.

Listened to a draft supervision law and a reshuffle plan on the State Council. NPC Vice chairman Li Jianguo explained the draft supervision law. State Councilor Wang Yong explained the State Council reform plan. The meeting adopted a decision on special committees of the 13th NPC, a voting method for their chairpersons, vice chairpersons and members, as well as a list of chairpersons, vice chairpersons and members of the NPC Constitution and Law Committee and the NPC Financial and

Economic Affairs Committee.

Mar 12 **Xi met with Chung Eui-yong, South Korean national security advisor.**
Chung briefed Xi on Chung's recent visits to the Democratic People's Republic of Korea (DPRK) and the United States. "We expect a smooth DPRK-ROK summit and DPRK-U.S. dialogue," Xi said, expressing his hope that there will be substantial progress in denuclearization on the Korean Peninsula and normalization of relations between the parties.

Xi joined a panel discussion with NPC delegates from the People's Liberation Army and the People's Armed Police.

Li Keqiang
Premier

Mar 22 **Li sent a congratulatory message to the opening ceremony of the 2018 China-Canada Tourism Year.**
Li said tourism is a significant area of cooperation between China and Canada. He added the 2018 China-Canada Tourism Year will bring new opportunities for both sides to expand tourism exchanges, strengthen people-to-people and cultural exchanges, and deepen practical cooperation. He expressed China's willingness to work with the Canadian side to continuously strengthen exchanges at the top and all levels, expand practical cooperation in such areas as economy and trade, technology, education, culture and regions, strengthen coordination and cooperation in international affairs, and jointly create a new "Golden Decade" of bilateral relations.

Li met with the President of Cameroon Paul Biya.

Mar 21 **Li chaired a State Council executive meeting.**
The meeting clarified the responsibilities of each department in implementing the key tasks written in the government work report. All departments were urged to take effective measures, make timetables, and assign staff members for each task. Relevant departments were also required to perform their duties according to their original mandate until the transition is completed.

Mar 20 **Li attended the closing meeting of the first session of the 13th National People's Congress.**

Li held a press conference.

Li answered questions about trade, government administration, North Korea, investment, concerns about Chinese meddling abroad, unemployment, the prospect of U.S.-China trade war, financial risk, the Chinese-Russian relationship, cross-Strait relations, healthcare, Chinese-Japanese relations, the Internet Plus initiative, concerns about the "one country, two systems" agreement with Hong Kong, China's aging population, and the personal income tax threshold.

Mar 19 **Li attended the seventh plenary meeting of the first session of the 13th National People's Congress.**

- Mar 18** Li attended the sixth plenary meeting of the first session of the 13th National People's Congress.
Li was endorsed as Premier and swore an oath of allegiance.
- Mar 17** Li attended the fifth plenary meeting of the first session of the 13th National People's Congress.
- Mar 15** Li attended the closing meeting of the first session of the CPPCC National Committee.
- Mar 14** Li sent a message of congratulations to Angela Merkel on her re-election as Chancellor of Germany.
- Mar 13** Li sent a message of condolences to Prime Minister Sheikh Hasina of Bangladesh and Prime Minister K.P. Sharma Oli of Nepal over the crash of a Bangladeshi airliner in Nepal.
- Li attended the fourth plenary meeting of the first session of the 13th National People's Congress.
- Mar 12** Li joined a panel discussion with NPC delegates from Hunan.
Li called for continuous reform and opening-up and increased efforts on building a law-based and fair business environment for entrepreneurship and innovation. He urged the transformation and upgrading of the real economy, and expressed support for advanced equipment manufacturers to compete globally.
- Li Zhanshu** **Mar 23** Li met with President of Cameroon Paul Biya.
Li expressed his hope that both sides would support each other on political issues, create a better cooperative environment, and have more people-to-people exchanges. Biya spoke highly of China's foreign policy and appreciated China's long-term support for Cameroon, calling for more legislative exchanges between the two countries.
- Mar 21** Li chaired and spoke at the first meeting of the 13th NPC Standing Committee.
Approved appointments of the deputy secretary-generals of the NPC Standing Committee, as well as National Supervisory Commission deputy directors and members. It also approved appointments and removals of officials in charge of the NPC Standing Committee's Budgetary Affairs Commission, Hong Kong Special Administrative Region Basic Law Committee and Macao Special Administrative Region Basic Law Committee. Newly appointed members took an oath of office.
- Li held a swearing-in ceremony for new NPC Standing Committee members.
- Mar 20** Li chaired and spoke at the closing meeting of the first session of the 13th National People's Congress.

- Mar 19** **Li attended the seventh plenary meeting of the first session of the 13th National People's Congress.**
- Li visited and thanked journalists reporting on the National People's Congress.**
Li thanked reporting staff with Chinese media organizations for their outstanding coverage of the NPC session. Li appreciated the remarkable, bold, creative, and encouraging reports of the past few weeks. He said the coverage of this year's NPC session has taken the right political direction, maintained the right tone and spread positive energy.
- Li chaired a meeting of the NPC presidium.**
The meeting agreed to forward seven documents to the NPC for approval. Government work report; the draft supervision law; the report on the national economic and social development plan; the report on the central and local budgets; and the work reports of the 12th NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate.
- Li chaired a meeting of executive chairpersons of the NPC presidium.**
- Mar 18** **Li chaired a meeting of the NPC presidium.**
- Li attended the sixth plenary meeting of the first session of the 13th National People's Congress.**
- Mar 17** **Li chaired a meeting of the NPC presidium.**
- Li chaired a meeting of executive chairpersons of the NPC presidium.**
- Li chaired a meeting of the NPC presidium.**
Decided candidates list for the premier, vice chairpersons and members of the Central Military Commission (CMC), director of the national supervisory commission, the chief justice, the procurator-general, and members of the 13th NPC Standing Committee. Also decided on a final version of the draft supervision law. Both the draft law and the candidate list were distributed to delegations for discussion.
- Li attended the fifth plenary meeting of the first session of the 13th National People's Congress.**
- Mar 16** **Li chaired a meeting of the NPC presidium.**
Finalized a candidate list for the election of state leaders. Decided to put to vote a draft election method and a draft decision on the institutional restructuring plan of the State Council. Adopted a report on the handling of lawmakers' motions.
- Li chaired a meeting of executive chairpersons of the NPC presidium.**
- Mar 15** **Li attended the closing meeting of the first session of the CPPCC National Committee.**

Li chaired a meeting of the NPC presidium.

Decided to send the list of candidates for PRC president, vice president, chairman of the Central Military Commission, NPC Standing Committee chairman, vice chairpersons and secretary-general will be sent to all NPC delegations for discussion and consultation. Also sent draft resolutions on the government work report, the implementation of the national economic and social development plans for 2017 and 2018, the implementation of the 2017 and 2018 central and local budgets, and a revised version of the draft supervision law. Also sent the draft decision on the institutional restructuring plan of the State Council to the delegations for deliberation.

Li chaired a meeting of the executive chairpersons of the NPC presidium.

Mar 13 Li attended the fourth plenary meeting of the first session of the 13th National People's Congress.

Mar 12 Li joined a panel discussion with NPC delegates from Jilin.

Li said that to uphold and improve the people's congress system, it is key to fully understand Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and well implement major policies made at the 19th CPC National Congress.

Wang Yang

Chair of the Chinese People's Political Consultative Conference

Mar 22 Wang visited the non-communist parties and the All-China Federation of Industry and Commerce.

Wang urged the ACFIC to ensure its comprehensive and effective coverage of the non-public sector of the economy and promote the establishment of a new type of government-business relations.

Mar 21 Wang chaired a study session of the Leading Party Members Group of the CPPCC National Committee.

Wang underscored the importance of the new constitutional amendments. He said the constitutional amendments determine the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era in the country's political and social life, and ensures that the leadership of the CCP is the defining feature of socialism with Chinese characteristics. Wang also pointed out that the amendments will create a strong sense of community for the Chinese nation and encourage more exchanges and interactions among ethnic groups.

Mar 20 Wang attended the closing meeting of the first session of the 13th National People's Congress.

Mar 19 Wang attended the seventh plenary meeting of the first session of the 13th National People's Congress.

Mar 18 Wang attended the sixth plenary meeting of the first session of the 13th National People's Congress.

- Mar 17** **Wang attended the fifth plenary meeting of the first session of the 13th National People's Congress.**
- Mar 16** **Wang chaired the closing session of the new CPPCC Standing Committee's first meeting.**
Wang listed the priorities of the political advisory body this year, including major consultation and deliberation activities, publicity of the newly revised CPPCC charter, implementation of major reform measures on consultative democracy, and training of new members. A decision on special committees was adopted at the meeting. According to the decision, the 13th CPPCC National Committee will have 10 special committees, covering areas such as proposals, the economy, agriculture, and social, legal, ethnic, religious and foreign affairs. It adopted a name list of the chairpersons and vice chairpersons of the special committees.
- Mar 15** **Wang chaired the opening meeting of the new CPPCC Standing Committee.**
Wang chaired a meeting of the executive chairpersons of the CPPCC National Committee.
The meeting deliberated and approved the agenda for the first meeting of the CPPCC Standing Committee, as well as a candidate list for specialized committees. Wang asked the leadership to adhere to correct political orientation, take the lead in fulfilling their duties, and promote democracy and form close ties with the people.
Wang chaired and spoke at the closing meeting of the first session of the 13th CPPCC National Committee.
Approved an amendment to the CPPCC Charter, defining CPPCC tasks and including the idea of "socialist consultative democracy." Xi Jinping thought also was incorporated into the charter. The meeting also passed resolutions on a work report of the Standing Committee of the 12th CPPCC National Committee, a report on the examination of proposals, and a political resolution on the annual session.
Wang met with journalists covering the first session of the 13th CPPCC National Committee.
Wang encouraged journalists to tell the stories of China, the Chinese People's Political Consultative Conference (CPPCC) and consultative democracy through vivid examples. He expressed his hope that media outlets could give play to their advantages, continue to cover news related to the CPPCC well, promote the system of CPC-led multiparty cooperation and political consultation, and show the CPPCC's progress in the new era.
- Mar 14** **Wang attended the fourth plenary meeting of the first session of the 13th CPPCC National Committee.**
Wang was elected chairman of the CPPCC National Committee. Xia Baolong was elected secretary-general of the CPPCC National Committee. The meeting also elected 24 vice chairpersons and 300 Standing Committee members.

Wang chaired a meeting of the CPPCC presidium.

Adopted a draft resolution on the work report of the Standing Committee, a draft resolution on an amendment to the CPPCC charter, a draft report on the examination of proposals, and a draft political resolution on the first session of 13th CPPCC National Committee.

Wang chaired a meeting of executive chairpersons of the CPPCC presidium.

Mar 13 Wang attended the fourth plenary meeting of the first session of the 13th National People's Congress.

Mar 12 Wang chaired a meeting of the CPPCC presidium.

Adopted a recommended name list of candidates for national committee new leadership. The list included nominees of the chairperson, vice chairpersons, secretary-general and standing committee members of the 13th CPPCC National Committee. A draft method of election was also adopted in principle. Participants deliberated a draft resolution on the work report of the Standing Committee of the 12th CPPCC National Committee, a draft resolution on an amendment to the CPPCC charter, and a draft political resolution on the first session of 13th CPPCC National Committee.

Wang joined a panel discussion with NPC delegates from Xinjiang.

Wang called for efforts to follow the guide of Xi's thought, focus on social stability and peace, promote exchanges among ethnic groups and enhance ethnic solidarity.

**Wang
Huning**
*Head of Party
Secretariat*

Mar 20 Wang attended the closing meeting of the first session of the 13th National People's Congress.

Mar 19 Wang attended the seventh plenary meeting of the first session of the 13th National People's Congress.

Mar 18 Wang attended the sixth plenary meeting of the first session of the 13th National People's Congress.

Mar 17 Wang attended the fifth plenary meeting of the first session of the 13th National People's Congress.

Mar 15 Wang attended the closing meeting of the first session of the CPPCC National Committee.

Mar 13 Wang attended the fourth plenary meeting of the first session of the 13th National People's Congress.

Mar 12 Wang joined a panel discussion with NPC delegates from Qinghai.

Wang urged local governments to strengthen ecological protection and green growth to lend fresh momentum to the province's development. Efforts should also

be made to reduce poverty and promote ethnic solidarity.

Zhao Leji <i>Secretary of the Central Commission for Discipline Inspection</i>	Mar 23	Zhao attended and spoke at the inauguration ceremony for the National Supervisory Commission in Beijing. <i>Zhao called on the officials to faithfully perform their duties as stipulated in China's Constitution, the Supervision Law and the CPC Constitution to secure victory in the fight against corruption. He also said that integration of function, personnel and work is the top priority for the CCDI and the national supervisory commission, who work together while keeping separate identities. Zhao called for the commission to grasp the basic point of reform of the national supervisory system, stick to the CPC centralized and unified leadership, take a people-centered approach, and carry out supervision of all public posts. Anti-graft organs at all levels should improve self-supervision.</i>
	Mar 20	Zhao attended the closing meeting of the first session of the 13th National People's Congress.
	Mar 19	Zhao attended the seventh plenary meeting of the first session of the 13th National People's Congress.
	Mar 18	Zhao attended the sixth plenary meeting of the first session of the 13th National People's Congress.
	Mar 17	Zhao attended the fifth plenary meeting of the first session of the 13th National People's Congress.
	Mar 15	Zhao attended the closing meeting of the first session of the CPPCC National Committee.
	Mar 13	Zhao attended the fourth plenary meeting of the first session of the 13th National People's Congress.
	Mar 12	Zhao joined a panel discussion with NPC delegates from Gansu. <i>Zhao said disciplinary and supervisory authorities should take the opportunity of supervisory commissions being listed as a state organ in the Constitution to push forward reforms in the national supervisory system.</i>
Han Zheng <i>Executive Vice Premier</i>	Mar 25	Han attended the opening ceremony of the China Development Forum. <i>Han Zheng said that the economic globalization is the tide of the times and it will never be smooth, but the trend is irreversible. All countries need to negotiate on an equal footing, work together in a concerted effort to cope with each other, promote trade and investment liberalization and facilitation, promote economic globalization, and develop in a direction that is more inclusive.</i>
	Mar 20	Han attended the closing meeting of the first session of the 13th National People's Congress.

- Mar 19** Han attended the seventh plenary meeting of the first session of the 13th National People's Congress.
- Mar 18** Han attended the sixth plenary meeting of the first session of the 13th National People's Congress.
- Mar 17** Han attended the fifth plenary meeting of the first session of the 13th National People's Congress.
- Mar 15** Han attended the closing meeting of the first session of the CPPCC National Committee.
- Mar 13** Han attended the fourth plenary meeting of the first session of the 13th National People's Congress.
- Mar 12** [Han joined a panel discussion with NPC delegates from Hainan.](#)
Han said the province should take the opportunity of the 40th anniversary of China's reform and opening up as well as the 30th founding anniversary of the Hainan Special Economic Zone to build the province into an international tourism island and prioritize environmental protection.

About CPW

China Politics Weekly aims to keep business leaders, investors, diplomats, scholars and other China hands up to date on important trends in China. It is produced by Trey McArver, co-founder of Trivium/China. You can find out more about Trey and CPW in [this interview](#). You can find out more about Trivium/China [here](#).