

19th CPC NATIONAL CONGRESS

'Ambitious' goals strike the right chord

Analysts laud Xi's aim to alleviate poverty and transform China into global economic linchpin

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For *China Daily Asia Weekly*

The vision outlined by General Secretary Xi Jinping on Oct 18 has been described by analysts as both "very ambitious" and "setting a very good tone" for the country's direction.

The governance concepts, thoughts and strategies are at the heart of the approach to development that Xi, general secretary of the Communist Party of China (CPC) Central Committee, outlined in a speech to the opening session of the 19th National Congress of the CPC.

In his speech, Xi laid out a bold and inspirational vision for the future that would see China emerge as the linchpin of the global economy, a powerhouse of innovation and a wealthy nation by the middle of the century.

"I think it is very encouraging. It is very important. China is at a critical juncture, transforming from a middle-income country to a high-income country," said Zhuang Juzhong, deputy chief economist and deputy director general of the Economic Research and Regional Cooperation Department at the Asian Development Bank.

"China wants to become a rich country by 2050. This is a very ambitious goal. And (the speech) laid out the policy priorities on how to achieve that," he said.

The wide-ranging policy priorities to realize that aim include, among others: Fostering innovation and productivity; focusing on supply-side reforms and developing a more efficient economy; working on issues of income inequality and regional inequality; and environmental protection.

"The speech was very good. Very comprehensive," said Zhuang. "It is a very encouraging message that came out."

"It likely set a very good tone for where they want to go," said Christopher Balding, associate professor of politics and economics at Peking University's HSBC Business School.

The speech built on many of the themes Xi has been working on for the past five years, said Balding, noting that "this was overarching, big-picture type stuff".

The decisions made at the congress represented "the latest sinification of Marxism, as well as new governance concepts, thought and strategies proposed by the CPC Central Committee with Xi Jinping at its core since the 18th CPC National Congress, as well as new experience in adhering to and strengthening Party leadership and in strict Party governance", said congress spokesman Tuo Zhen during a press conference on Oct 17.

Achieving the many goals Xi set for the Party and the country will also see the completion of the grand project of eliminating poverty.

An important effort going forward will revolve around maintaining the momentum at a "pivotal stage for transforming our growth model, improving our economic structure, and fostering new drivers for growth", said Xi.

"It is imperative that we develop a modernized economy."

Martin Roll, a global business strategist, said: "Xi Jinping's speech was yet another signal to the world and its leaders that China aims to sit at the global leadership table toward 2050.

"China is still developing internally and externally, but China will continue to exercise increasing influence across strategic issues spanning business, world, politics and society," Roll said.

In the five years since the last Party Congress that saw the beginning of Xi's first five-year term in office, much has changed in the country.

When measured by purchasing power parity, China is now the largest economy in the world. GDP per capita of \$8,123 in 2016 makes it a middle-income country.

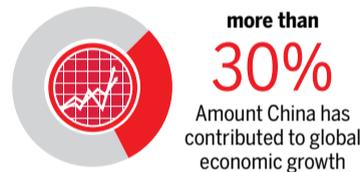
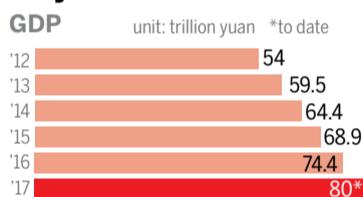
Xi and the government will now work to maintain the momentum and keep the country on a path of growth, develop a moderately prosperous society and avoid the mid-



Delegates to the 19th CPC National Congress applaud the report delivered by General Secretary Xi Jinping on Oct 18.

XU JINGXING / CHINA DAILY

Major achievements



STAGE 2020 to 2035

1 Build on the foundation created by the moderately prosperous society with a further 15 years of hard work to ensure that socialist modernization is basically realized.

STAGE 2035 to mid-21st century

2 Develop China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful.

dle-income trap that has affected so many rising economies.

A week before the start of the congress, Xi called for all-out efforts to combat poverty. He added that this is "the toughest of all tough battles" and part of the process of building a moderately prosperous society.

He said helping people get out of poverty and pursuing happiness is the ultimate goal of the Party's efforts to push development forward. And he repeated that call during his speech on Oct 18.

"We must ensure that by the year 2020, all rural residents living below the current poverty line are out of poverty, and that poverty is eliminated in all poor counties and regions. Poverty alleviation should reach those who truly need it and deliver genuine outcomes," said Xi.

Xi has developed a four-pronged strategy to develop a moderately prosperous society, deepen reforms, advance the rule of law and strengthen governance.

A key focus of the congress over the past few days was how to best use Xi's theories to ensure Chinese society continues to develop.

"The 19th National Congress set the leadership of China for the next five to 10 years, it also deepened the strategic layout of 'building a moderately prosperous society, comprehensively deepening reform, rule of law and the Party discipline,'" said Wu Lianfeng, vice-president and chief research analyst of IDC China, an information technology consultancy.

China's 19th Party Congress was an opportunity for the leadership to signal a shift in policy priorities toward structural reform and a more emphatic implementation of Xi's agenda, according to Andrew Fennell, sovereigns director at Fitch Ratings.

The importance that China's new leadership, led by Xi, places on both alleviating poverty and building a prosperous society has been on display for some time.

Speaking ahead of the congress on Oct 9 during the 2017 Global Poverty Reduction and Development Forum in Beijing, Vice-Premier Wang Yang noted that the country has made significant efforts in this regard.

"Since the 18th National Congress of the Communist Party, China has been able to reduce poverty by more than 10 million people each year, showing new and important characteristics of the times," said Wang.

"As the core of the Party's leadership, General Secretary Xi ... has had unforgettable experiences of poverty. He has a strong sense of mission and political action, he has a hands-on approach to poverty reduction, which showed his

extraordinary leadership."

For both people and business, the decisions made during the congress will have a significant and durable impact. For some sectors, such as information technology and environmental technology, the future looks particularly bright.

"China in its post 19th-CPC era will witness a continuous and deeper application of the nation's five development concepts, which revolved around innovation, coordinated development, green development, opening up, and inclusive development, all of which formed the fundamental development and reform ideology in China's ongoing 13th Five Year Plan (2016-2020). The new era will also feature accelerated digital transformation across the board to sustain China's economic growth," said IDC China managing director, Kitty Fok.

Other business sectors are also poised to continue to benefit from the development prospects enshrined in the ideas put forth during the congress.

"China could open up the mining, manufacturing and the financial sectors over the coming years, even though there will continue to be hurdles across various markets," said Chua Han Teng, head of Asia Country Risk at BMI Research.

"Additionally, we believe that the Chinese government will only open up these markets in a way that is consistent with the guideline released on Jan 17, 2017, which means that the pace of market liberalization will be measured to ensure that risks are manageable," Chua said.

Chua expects that the Belt and Road Initiative — which seeks to improve infrastructure and connectivity across the ancient Silk Road routes — will continue to remain a key focus of policy and an important catalyst for development.