



President Xi Jinping, also general secretary of the Communist Party of China Central Committee, walks into the conference hall during the first session of the 13th National People's Congress, which opened at the Great Hall of the People in Beijing on March 5. XU JINGXING / CHINA DAILY

# CHINESE DREAM:

## Innovation-driven growth to achieve 'high-standard opening-up'

By **ALFRED ROMANN** and **CORNELIA ZOU** in Hong Kong  
For *China Daily Asia Weekly*

**W**ith a road map for sustainable and stable economic growth in place, China is continuing along a path of development that factors in an ongoing opening-up of its market and expanded prospects for inbound investment.

The plan was detailed last week in the Government Work Report delivered by Premier Li Keqiang at the outset of the annual meeting of the National People's Congress — the first such meeting for the 13th NPC.

Li's Work Report not only summed up the achievements of the central government over the past five years but put forward an agenda for the year ahead, one that includes a "high-standard opening-up to gen-

erate high-quality development" for the country.

The policy goals Li outlined build on the policies spearheaded by President Xi Jinping and have significant implications for China and its regional partners, particularly in Southeast Asia.

The focus on quality development follows the direction set by Xi, who is also general secretary of the Communist Party of China Central Committee. Speaking on March 7, he highlighted the importance of improving the structure of the country's economy and noted that the work will require planning and long-term vision.

Speaking to a panel of NPC lawmakers, Xi called for more institutional innovation and to make the resources available for more innovation.

"If we do not take the path of

innovation-driven (growth), we will not be able to transform from old to new economic drivers, and China will not be able to become a truly strong nation," Xi said on March 7, speaking to a delegation from South China's Guangdong province. "It takes innovation to be strong, and it needs talent to bring innovation."

Perhaps the most watched piece of data in this and every other Work Report is the growth target set by the government.

Li said that China's GDP growth target for 2018 would be "around 6.5 percent ... or higher if possible", remaining stable and in line with prior years. This is significant not only for China, but for the many partners reliant upon Chinese growth.

"From a macroeconomic perspective, Premier Li's estimated GDP growth rate of around 6.5 percent ... is realistic yet sustainable," said

Law Cheung-kuok, senior research fellow at the Global China Research Programme at the Chinese University of Hong Kong.

"It's more about the quality than the quantity now, and this (healthy) growth rate will not only help boost China's economy but will also contribute to the stability of the global economy."

The central government seems to be less worried about economic indicators now, and there has been no mention of specific forecasts for growth of fixed-asset investment, for example.

"The report is consistent with the government's increased tolerance of slower economic growth over the past few quarters as it seeks to fend off systemic risks while also pursuing goals such as reforms," said Chua Han Teng, head of Asia country risk at BMI Research.

"It reflects the government's increased priority to rein in risks over the course of 2018, and efforts to achieve more sustainable economic growth over the coming years."

The absence of these hard targets could also allow local governments to focus more on issues such as innovation, which Xi has highlighted, as well as environmental protection, housing and social development, rather than hitting the target numbers.

"At the city level, the major parameter for assessing the performance of government officials will no longer be just the GDP growth," said Law. "Other aspects — for example, environmental protection, developing green energy and electric cars — are becoming more and more important."

However, it will be a while before

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