

China Politics Weekly

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Dear friends and colleagues,

The holidays are over and everybody's back to work. It was a busy week in Beijing as the NPC and CPPCC both held Standing Committee meetings to prepare for their upcoming annual sessions. The State Council also held an executive meeting and the Leading Small Group on Comprehensively Deepening Reform held its tenth meeting- where it talked about football (seriously).

The *lianghui* starts on Tuesday when the CPPCC opens its annual session. The real fun starts on Thursday when Premier Li delivers the Government Work Report. Premier Li's report will get all the attention, but the NDRC's Work Report is usually a bit more meaty.

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

The view from DC

I just spent a week in DC meeting with officials, academics and businessmen; the mood towards China seems increasingly sour. Big business, once the PRC's biggest champions, are increasingly put off by regulatory actions that seem to target foreign business such as the recent judgment against Qualcomm. Academics and professional China watchers worry about intellectual repression and a tightening of the ideological sphere. Many in and around government also intimate concerns over a new aggressiveness in the PRC under Xi's leadership.

While almost everybody in DC is unhappy with developments in China, nobody seems to have a coherent strategy for influencing the situation. Policy towards China is unfocused and ill-defined for structural bureaucratic reasons, political gridlock on the Hill and an insular, dysfunctional White House.

Worryingly, the only people within the political establishment that do have a clear stance towards China are hawks in the DoD for whom conflict with a rising China is all but inevitable. They're prepared and by some accounts all too eager for relations to become overtly confrontational. In the absence of clear leadership from the White House or State, there is a real danger that such hawks become the only coherent, or at least confident, American voice on China. Should that happen, it would only serve to bolster anti-American hardliners in Beijing with a similar view to their hawkish counterparts at the DoD, the dangers of which are obvious.

The news is not all bad. While politicians remain eminently disappointing, every civil servant that I have spoken to is, without exception, competent, engaged and committed to making sure that the US-China relationship is characterized by cooperation rather than competition. For the most part too, they report productive working relations with their Chinese counterparts. While it's heartening that so many are striving to forge a closer relationship, unless a more positive political narrative is built on the basis of these foundations, the risk that all their hard work will come to naught remains a real one.

PBSC Week in Review

Xi Jinping	Feb 28	Xi met with representatives from cities, towns, villages and units honored by the Central Commission for Guiding Ethic and Cultural Progress.
	Feb 27	Xi chaired a meeting of the Leading Small Group on Comprehensively Deepening Reform. <i>Meeting focused on four areas:</i> <ol style="list-style-type: none">1) Improving the country's football management;2) Increasing punishments for officials who interfere in court proceedings;3) Improve citizen supervision of procuratorates;4) More strictly regulate the business activities of relatives of officials in Shanghai.
Li Keqiang	Feb 27	Attended meeting of Leading Small Group on Comprehensively Deepening Reform. Li met with Sri Lanka's Foreign Minister Mangala Samaraweera. <i>New Sri Lankan President Maithripala Sirisena likely to visit next month. Still a lot of uncertainty about how new Sri Lankan government will treat Chinese investments.</i>
	Feb 25	Li chaired an executive meeting of the State Council. <i>Meeting focused on three areas:</i> <ol style="list-style-type: none">1) Cut taxes and unemployment insurance fees for businesses with annual profits under RMB 200,000.2) Decided on plans to fast-track the construction of major water resource projects. 172 projects total; 57 already started, 27 to start this year and remainder to start as soon as possible.3) Decided to raise the national allowance for students from secondary vocational schools and senior high schools.
Zhang Dejiang	Feb 27	Zhang chaired the closing session of an NPC Standing Committee meeting. <i>Important outcomes of the three-day session include:</i> <ol style="list-style-type: none">1) Suspended a number of provisions in the Law on Land Management, and the Law on Urban Real Estate Administration in 33 localities undertaking pilot land reforms. Under the pilot programs, rural construction land will enjoy the same rights and market price as other land, while the right of use for existing collectively-owned rural construction land can now be transferred, leased and

traded for shares;

2) Reviewed revisions to the Law on Promoting the Transformation of Scientific and Technological Achievements;

3) Had second reading of draft Counterterrorism Law. New version includes new, narrower definition of the term "terrorism". Law is expected to pass after third reading;

4) Appointed Chen Jining as Minister of Environmental Protection. Chen had been appointed MEP Party Secretary in January.

5) Approved two cooperation agreements with Ukraine and Turkmenistan.

Zhang chaired an NPC Standing Committee Chairmen's meeting.

Zhang presided over a lecture for NPC Standing Committee members.

Lecture was given by NPC Foreign Affairs Committee Vice Chairman Cao Weizhou and focused on the NPC's diplomacy work.

Feb 26 Zhang chaired an NPC Chairmen's meeting.

Zhang participated in group discussions of the NPC Standing Committee's draft work report.

Feb 25 Zhang chaired a meeting of the NPC Standing Committee.

Yu Feb 27 Yu chaired a CPPCC Standing Committee meeting.

Zhengsheng

Feb 25 Yu chaired a CPPCC Chairmen's meeting.

Liu Yunshan Feb 27 Attended meeting of Leading Small Group on Comprehensively Deepening Reform.

**Wang
Qishan**

Zhang Gaoli Feb 27 Attended meeting of Leading Small Group on Comprehensively Deepening Reform.

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, a London-based consultant providing advice and intelligence to firms and investors engaged in China and the region. You can find out more about Trey and CPW in [this interview](#).

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