

China Politics Weekly

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All eyes on the 19th Party Congress

Personnel appointments are beginning to pick up in the run up to the Party's 19th Party Congress to be held in late 2017. In the past two weeks, two provincial party secretaries and two provincial governors have been replaced. Of particular note is Hu Heping, who was appointed Acting Governor of Shaanxi last week. Hu has every appearance of being a Xi man. He worked with Xi's roommate, and current deputy head of the Organization Department, Chen Xi at Qinghua University, before being picked to succeed Cai Qi – currently one of Xi's top aides on the National Security Commission – as head of the Organization Department in Zhejiang. Hu is young (54), meaning that he is almost certainly destined for higher office.

SOE reforms go nowhere

The State Council Leading Group for State-owned Enterprises Reform, chaired by Vice Premier Ma Kai, met on Sunday. The meeting was the latest in a recent spate of relatively high-profile meetings related to SOE reform, including a national teleconference two weeks ago. Both of these come after the State Council identified SOE reform as one of its top 10 areas of focus for the coming year.

Unfortunately, the recent meetings and associated announcements regarding SOE reform give little indication that real progress will be made. "Mixed ownership" remains at the center of reforms, and the government has said that it will encourage private capital to invest in key sectors including power, oil, natural gas, railway, aviation and telecoms.

But mixed ownership has little chance of addressing the fundamental problem with SOEs, namely that their primary motivations are political, not economic. This is because the proposed reforms will not allow private capital to take a controlling share in SOEs; instead, as September 2015's SOE reform made clear, the state must retain the "absolute controlling position" in the companies.

PBSC Week in Review

Xi Jinping
Party General
Secretary; PRC

Apr 8

Xi held talks with Swiss President Johann Schneider-Ammann.
Announced the establishment of an 'innovative strategic partnership.' Signed cooperative documents in vocational safety and health, low-carbon city

President;
Chairman of
Central Military
Commission

construction and technological innovation.

Xi met with Sri Lankan Prime Minister Ranil Wickremesinghe.

Agreed to integrate development strategies, maintain high-level exchanges, expand reciprocal cooperation, and push forward strategic partnership cooperation. Also agreed to strengthen cooperation in port and airport construction, trade, investment, transportation and technology.

Apr 6 Xi sent a written instruction to a meeting on the newly-launched Party education campaign.

From Xinhua: "Xi stressed that the campaign aims to consolidate Party members' Marxist positions and ensure that the entire Party maintains a high degree of ideological and political consistency with the CPC Central Committee."

Apr 5 Xi met with British Prince Andrew, the Duke of York.

Xi attended a voluntary tree-planting.

Urged the development of China's forestry industry and planted six saplings.

Apr 2 Xi returned to Beijing.

Li Keqiang
Premier

Apr 8 Li met with German Foreign Minister Frank-Walter Steinmeier.

Called for more cooperation in third-party markets in high-speed rail and in other fields, enhanced communication and expanded collaboration in jointly confronting challenges.

Apr 7 Li met with Swiss President Johann Schneider-Ammann.

Li held talks with Sri Lankan Prime Minister Ranil Wickremesinghe.

Agreed to further advance FTA talks and called for enhanced cooperation on construction projects and in science and technology.

Signed seven agreements including the exchange of confirmed offenders, launch of phase two of the Southern Highway, and an MoU between the Chinese Development Bank and the Sri Lanka Central Bank.

Li offered a RMB500 million grant.

Apr 6 Li chaired an executive meeting of the State Council.

Meeting mapped out plans to upgrade China's manufacturing, promote the Internet Plus Circulation action plan and set key tasks for medical reform this year.

Li sent a congratulatory message to the 20th Pacific Basin Nuclear Conference.

Apr 5 Li attended a voluntary tree-planting.

Zhang Dejiang
Chair of the

Apr 8 Zhang met with Swiss President Johann Schneider-Ammann.

<i>National People's Congress</i>	Apr 7	Zhang met with Sri Lankan Prime Minister Ranil Wickremesinghe. <i>They agreed to further enhance parliamentary exchanges between the two countries.</i>
	Apr 6	Zhang met with Thai Crown Princess Maha Chakri Sirindhorn.
	Apr 5	Zhang attended a voluntary tree-planting.
Yu Zhengsheng <i>Chair of the Chinese People's Political Consultative Conference</i>		Yu met with Anglu Farrugia, speaker of the House of Representatives of Malta.
	Apr 8	Yu met with representatives of overseas Chinese and compatriots from Hong Kong and Macao who contributed to the earthquake relief and post-quake reconstruction of Lushan, Sichuan.
	Apr 7	Yu chaired a biweekly symposium of the CPPCC. <i>Meeting called for better supervision over the quality of construction projects, increased government supervision over the construction market, regulating labor service companies and a revision of the law on tenders and bids.</i>
	Apr 5	Yu attended a voluntary tree-planting.
Liu Yunshan <i>Head of Party Secretariat; Head of Propaganda</i>	Apr 7	Liu met with a delegation from the Lao People's Revolutionary Party.
	Apr 6	Liu chaired and spoke at a meeting on the new Party education campaign.
	Apr 5	Liu attended a voluntary tree-planting.
	Mar 30 - Apr 2	Liu went on inspection tours of Sichuan and Yunnan.
Wang Qishan <i>Secretary of the Central Commission for Discipline Inspection</i>	Apr 5	Wang attended a voluntary tree-planting.
Zhang Gaoli <i>Executive Vice Premier</i>	Apr 5	Zhang attended a voluntary tree-planting.

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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