

China Politics Weekly

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Dear friends and colleagues,

Thanks again to everybody in Beijing who took time to meet over the past two weeks. It was great to see you all!

Call for interns! As the 19th Party Congress approaches, I and super-intern Olivia Ryan are looking for help on a project to research China's top officials. If you read Chinese, are interested in Chinese politics, have a few hours to spare each week and would like to help, please get in touch. As CPW is a labor of love, internships are unpaid, but we promise you will learn a lot!

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 *lianghui* – kind of boring, still important

The *lianghui* starts Thursday with the opening of the CPPCC annual session, though things don't really get interesting until Saturday when the NPC session begins. In my recent two and a half weeks in Beijing the *lianghui* barely came up as everybody is focused on autumn's 19th Party Congress.

The importance of the *lianghui* should not be discounted. The targets for GDP and total social financing growth are key signals of the government's economic policy stance. Both are likely to be lowered from last year, in line with a greater focus of late on risk management (as opposed to growth stabilization).

Always of interest is the government budget, which will also be approved at the session. Defense spending will get the most media attention; it has become an annual tradition for major Western news outlets to write semi-hysterical articles about China's growing military. Of more importance will be the deficit target, as well as proposed outlays for social welfare.

Listen to Xi's man

The most interesting report is the one delivered by the NDRC chairman, which tends to be more detailed than the Government Work Report delivered by the Premier. Delivering the report this year will be He Lifeng, who was promoted to NDRC chairman last week. He's appointment is the latest indication that Xi Jinping is successfully consolidating power. He and Xi worked closely together in Fujian during Xi's seventeen years in the province, and He is understood to be one Xi's closest confidants. It is rumored that He was one of Xi's attendants at his wedding to Peng Liyuan.

He was not the only Xi associate appointed to a key post last week. Zhong Shan, who worked under Xi in Zhejiang, was promoted to Minister of Commerce. Xi has already successfully placed key associates in key Party

institutions; the appointments of He and Zhong mean he now has allies heading two of the most important government bodies for economic policy.

Changes are coming

Conversations in Beijing lead me to believe that we are likely to see a relaxation of the growth target after the 19th Party Congress. It's a politically controversial move, which is why Xi's consolidation of power is an important prerequisite. The appointments of He and Zhong would seem to give further proof that Xi is firmly in charge of the central Party and government apparatus. (More ambiguous, and more important, is his control over local officials)

All (silk) roads lead to China

Prior to his appointment as NDRC chairman, He was point man for Xi's One Belt One Road initiative. I often find OBOR derided for its lack of definition, but I think this is unfair. It's a long-term project, and is likely to be Xi's most lasting legacy. He's appointment is further proof of OBOR's importance. I suspect the coming years will see a more focused and concerted effort to define and promote the project.

PBSC Week in Review

Xi Jinping

Party General
Secretary; PRC
President;
Chairman of
Central Military
Commission

Feb 24

Xi chaired a symposium on city planning and construction in Beijing and preparation for the Beijing 2022 Winter Olympic Games.

The symposium heard reports delivered by Beijing Party chief Guo Jinlong and Gou Zhongwen, head of China's General Administration of Sport.

Xi sent a letter of congratulations to the launching ceremony of the China-Denmark Tourism Year.

Feb
23-24

Xi went on an inspection tour in Beijing.

He visited sites for the 2022 Winter Olympic Games and the new airport.

Feb 22

Xi held talks with Italian President Sergio Mattarella.

Xi met with French Prime Minister Bernard Cazeneuve.

Feb 21

Xi chaired a meeting of the Politburo.

The meeting discussed the draft government work report and reviewed a special report on inspections of central Party and government authorities, and opinions on normalizing the Two Studies One Action education campaign.

Xi chaired and spoke at a Politburo study session.

The session focused on poverty relief.

Li Keqiang

Premier

Feb 23

Li met with Italian President Sergio Mattarella.

Feb 22

Li chaired a State Council executive meeting.

Meeting focused on preventing H7NP, set poverty alleviation tasks for 2017, relaxing restrictions on private investment, improving internet speed and

		<i>service, and passed a draft version of the Standardization Law.</i>
	Feb 21	Li held talks with French Prime Minister Bernard Cazeneuve. <i>China and France signed agreements on nuclear energy and science.</i>
Zhang Dejiang <i>Chair of the National People's Congress</i>	Feb 24	Zhang chaired and spoke at the closing ceremony of the bimonthly session of the NPC Standing Committee. <i>The session adopted two laws and announced appointments and dismissals while preparing for the upcoming lianghui: The meeting passed the NPC Standing Committee work report to be submitted to the annual session and approved the draft agenda, a draft list of candidates for the session's presidium and secretary-general, as well as the list of observers at the session. The session adopted a revised Law of the Red Cross Society and adopted a revised law on corporate income tax. The session also reviewed a draft amendment to the Unfair Competition Law.</i>
	Feb 23	Zhang met with Italian President Sergio Mattarella. Zhang attended a meeting to deliberate a draft of the NPC Standing Committee annual work report. Zhang chaired a meeting of NPC chairpersons.
	Feb 22	Zhang chaired a bimonthly session of the NPC Standing Committee. Zhang met with French Prime Minister Bernard Cazeneuve.
Yu Zhengsheng <i>Chair of the Chinese People's Political Consultative Conference</i>	Feb 24	Yu attended and spoke at a meeting on uniting people of new social classes.
	Feb 23	Yu chaired and spoke at a CPPCC chairpersons meeting.
Liu Yunshan <i>Head of Party Secretariat; Head of Propaganda</i>		
Wang Qishan <i>Secretary of the Central Commission for Discipline Inspection</i>	Feb 22	Wang attended a meeting before the launch of the 12th round of CCDI inspections. <i>Inspection teams will be sent to 29 universities, Inner Mongolia, Jilin, Yunnan and Shaanxi, as well as the Office of the Central Leading Group for Cyberspace Affairs, State Council Leading Group Office of Poverty Alleviation and Development, China Railway Corporation and China Shipbuilding Industry Corporation.</i>

Zhang Gaoli

Executive Vice

Premier

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](#).

Want to help? Please tell us how we can make this newsletter more useful to you. Feedback on both form and content are always welcome, as are suggestions for topics to be covered. Please contact us at info@chinapoliticsweekly.com. We look forward to hearing from you.

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