

# China Politics Weekly

Issue No. 40 – February 9, 2015



Dear friends and colleagues,

Apologies to those of you who have not received issues of the newsletter lately- I have been having some email server issues, but they should be sorted out soon. Your comments and feedback are always welcome. Old issues are always available at [www.chinapoliticsweekly.com](http://www.chinapoliticsweekly.com). Sign up or unsubscribe by sending an email to [info@chinapoliticsweekly.com](mailto:info@chinapoliticsweekly.com).

## **Economic opening, ideological closing**

It's a busy time in Beijing and around the country as ministries and local governments finish up annual meetings to review 2014 work and set priorities for 2015. Provincial governments have already released government work reports; meanwhile, State Council, NPC, NDRC, MOF, SPC and SPP work reports have been drafted and are undergoing revisions in preparation for the *lianghui* in March.

Drafting for the 13<sup>th</sup> Five Year Plan also continues, with the NDRC currently finalizing the overall framework for the plan. Being the last year of the current five-year plan, 2015 government work in relevant areas will be heavily influenced by a need to achieve targets laid out five years ago.

Looking ahead, the thrust of economic policy will continue to be towards further market liberalization and less government intervention. The number of administrative approvals will decrease further while laws and regulations will be enforced in a more transparent and consistent manner.

On the whole, the direction of economic policy is a welcome sign to foreign businesses operating in China, but there are risks as well. Many companies have benefitted from tax breaks and other favorable policies at the local level; such benefits will become ever more scarce as the government creates a more unified national market.

There are other risks as well. Efforts to improve economic efficiency are happening in tandem with efforts by the Party to more tightly control the political narrative. This includes efforts to more directly appeal to the people (think "Chinese Dream" and the Mass Line Campaign), as well as stricter controls on information and enhanced efforts to silence opinions and ideas that could challenge the Party. Sectors seen as posing a risk to the Party's control of information- in particular, IT, education and media- will see an already difficult business environment get even worse.

## PBSC Week in Review

|                   |   |  |
|-------------------|---|--|
| <b>Xi Jinping</b> | Feb 4   | Xi held talks with Argentine President Cristina Fernandez de Kirchner.   |
|                   |   | Xi sent congratulations to Sri Lankan President Maithripala Sirisena on the 67th anniversary of the founding of the Democratic Socialist Republic of Sri Lanka.      |
|                   | Feb 2   | Xi spoke at a Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.   |
|                   |   | Xi met with Indian External Affairs Minister Sushma Swaraj.  |
|                   |   | Xi met with Russian Foreign Minister Sergei Lavrov.  |
|                   | Jan 30  | Xi chaired the ninth meeting of the Leading Small Group on Comprehensively Deepening Reform.   |
|                   |   | Xi met with Prime Minister of France Manuel Valls.   |
| Jan 29            | Xi met with attendees of the Military External Affairs Work Conference.                               |  |
| Jan 26            | Xi sent congratulations to Indian President Pranab Mukherjee on the occasion of India's Republic Day. |  |
| <b>Li Keqiang</b> | Feb 6   | Li chaired an executive meeting of the State Council.  |
|                   | Feb 5   | Li met with Argentine President Cristina Fernandez de Kirchner.  |
|                   | Feb 4   | Li chaired a symposium to solicit opinions from leaders of non-communist political parties regarding this year's Government Work Report.                             |
|                   |   | Li sent congratulations to Sri Lankan Prime Minister Ranil Wickremesinghe on the 67th anniversary of the founding of the Democratic Socialist Republic of Sri Lanka. |
|                   | Feb 2   | Attended Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.  |
|                   | Jan 30  | Attended meeting of Leading Small Group on Comprehensive Deepening Reform.   |
|                   | Li met with Sardar Ayaz Sadiq, speaker of the National Assembly of Pakistan.                          |  |

|                      |           |   |
|----------------------|-----------|---|
|                      | Jan 29    | <p>Li held talks with French Prime Minister Manuel Valls.</p> <p>Li held a press conference with Prime Minister of France Manuel Valls.</p> <p>Li sent congratulations to the 1st Meeting of China-Israel Joint Committee on Innovation Cooperation.</p>  |
|                      | Jan 28    | <p>Li chaired an executive meeting of the State Council.</p>  |
|                      | Jan 27    | <p>Li met with Sofyan Djalil, Indonesia's coordinating minister for economy, and other attendees of the China-Indonesia High-Level Economic Dialogue.</p> <p>Li held a symposium for leaders in culture, sport, healthcare, technology and education to offer suggestions on the 2015 Government Work Report.</p> |
|                      | Jan 26    | <p>Li held a symposium for business leaders and academics to offer suggestions on the 2015 Government Work Report.</p> <p>Li sent congratulations to India's Prime Minister Narendra Modi on the occasion of India's Republic Day.</p>  |
| <b>Zhang Dejiang</b> | Feb 5     | <p>Zhang met with Argentine President Cristina Fernandez de Kirchner.</p>   |
|                      | Feb 2     | <p>Attended Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.</p>  |
|                      | Jan 30    | <p>Zhang met with Prime Minister of France Manuel Valls.</p>  |
|                      | Jan 29    | <p>Zhang held talks with Sardar Ayaz Sadiq, speaker of the National Assembly of Pakistan.</p>   |
|                      | Jan 27    | <p>Zhang chaired a symposium for NPC representatives to offer suggestions on the NPC Standing Committee Work Report.</p>  |
| <b>Yu Zhengsheng</b> | Feb 2     | <p>Attended Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.</p>  |
|                      | Jan 29-31 | <p>Yu went on an inspection tour to Baoding, Hebei.</p>   |
|                      | Jan 28    | <p>Yu met with a delegation from Sudan's ruling National Congress Party.</p>  |
|                      | Jan 26    | <p>Yu met with Pakistani Army Chief General Raheel Sharif.<br/><i>Vowed to support Pakistan's anti-terror efforts.</i></p> <p>Yu offered condolences on behalf of the Chinese government to the Saudi</p>   |

|                    |               |  |
|--------------------|---------------|--|
|                    |               | <b>ambassador to China on the death of King Abdullah bin Abdulaziz.</b>  |
|                    | <b>Jan 24</b> | <b>Yu attended and spoke at a Taiwan Affairs Work Conference.</b>  |
| <b>Liu Yunshan</b> | <b>Feb 7</b>  | <b>Liu presided over a plenary session of the Central Commission for Guiding Ethic and Cultural Progress.</b>                                    |
|                    | <b>Feb 6</b>  | <b>Liu addressed the closing session of the Central Party School workshop on promoting rule of law for provincial and ministerial officials.</b> |
|                    | <b>Feb 2</b>  | <b>Attended Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.</b>                     |
|                    | <b>Jan 30</b> | <b>Attended meeting of Leading Small Group on Comprehensive Deepening Reform.</b>  |
| <b>Wang Qishan</b> | <b>Feb 2</b>  | <b>Attended Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.</b>                     |
| <b>Zhang Gaoli</b> | <b>Feb 6</b>  | <b>Zhang chaired a work conference on the Yangtze River Economic Belt Development.</b>   |
|                    |               | <b>Attended executive meeting of State Council.</b>  |
|                    | <b>Feb 2</b>  | <b>Attended Central Party School workshop on promoting the rule of law attended by ministerial and provincial officials.</b>                     |
|                    | <b>Feb 1</b>  | <b>Zhang chaired a meeting on building the Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road.</b>                           |
|                    | <b>Jan 30</b> | <b>Attended meeting of Leading Small Group on Comprehensive Deepening Reform.</b>  |
|                    | <b>Jan 29</b> | <b>Zhang chaired and spoke at a meeting of the State Council Food Safety Commission.</b>   |

### **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](mailto:info@chinapoliticsweekly.com). We look forward to hearing from you.

**Want more?** We offer tailored briefings and research reports for senior management who need to know more about China. Our network of analysts and associates have experience across a range of sectors. Please email us to discuss your needs and get a quote.