



**ADJUSTED
GROWTH STRATEGY:
CHINA**

CHINA'S ADJUSTED GROWTH STRATEGY, 2015

Changes to section A (Economic Objective)

Please discuss changes to the economic objectives, if any.

China's medium and long-term development goal is to maintain the sustainable and healthy development of the economy, transform the economic development pattern, double its GDP and per capita income for urban and rural residents by 2020 from its 2010 level based on much more balanced, coordinated and sustainable development; build an innovative economy with considerable increase of scientific and technology's contribution to economic growth; basically accomplish industrialization, significantly expand IT application, markedly improve the quality of urbanization, notably modernize the agriculture industry and effectively construct new rural communities, put in place a mechanism for balanced development among regions; further open up the economy, significantly enhance international competitiveness. China will keep household incomes growing in line with the economic development, and achieve overall balance of the major policy targets, including economic growth, employment, inflation and balance of payments.

China's economic and social development in 2015 is anticipated as follows:

-Keep economic growth within a proper range. GDP is projected to grow by around 7%. Efforts to comprehensively deepen reform will further boost the impetus and vitality of the economy. Policies and measures introduced earlier to stabilize the growth will continue to take effects, to which consumption, investment and external demand all contribute. China has entered a crucial stage of transforming its growth pattern. The anticipated growth rate of around 7% takes into consideration what is needed and what is possible. This target is aligned with both our goal of building a moderately prosperous society and the need of growth and structural upgrading, while ensuring relatively sufficient employment.

-Focus on quality improving and upgrading of the economy. China will accelerate development of modern service industries, to continuously raise the share of value-added by the service sector in GDP. China will increase the ratio of the R&D spending in GDP, accelerate the transformation and upgrading of traditional industries, and facilitate the healthy development of emerging strategic industries. The new urbanization has achieved breakthroughs, and development among regions tended to be more balanced. Energy consumption per unit of GDP will decline by more than 3.1%.

-Maintain price stability. CPI growth will stabilize around 3%. The basically balanced aggregate supply and demand, continuous increases of grain output and the ample supply of almost all products lay a solid foundation and provide favorable conditions for stable prices.

-Giving high priority to improving people's wellbeing. More than ten million new jobs will be created in urban area this year, with registered urban unemployment rate below 4.5%. Urban and rural household incomes will increase basically in line with economic growth. China will further improve the social security system and ensure equal access to basic public services. This year, China will build additional 7.4 million units of government-subsidized housing.

-Maintaining basic balance of international payments. Total imports and exports will grow by 7.5% or so, with more rapid development of trade in services and continuous growth of investment overseas. China will utilize the foreign capital in a more active and effective manner, while improving its structure.

China's economic adjustment and reform could contribute to continuously releasing and increasing the growth potential, maintaining stability and sustainability of the growth and improving its quality, achieving full employment and reducing income gaps, therefore, steadily increase household income and consumption capacity, so as to increase global

demand on a sustainable basis. China's adherence to reform and opening up, especially by promoting trade and investment liberalization and facilitation, will contribute to sharing growth bonus with other members, and achieving the G20's aggregate growth ambition.

China's top five key reform areas are: (1) the "new macroeconomic policy responses" to stabilize near-term growth, (2) "transform the economic growth pattern" to further boost consumption, (3) improve "competition" to allow the market to play the decisive role and promote private sector involvement, (4) promote "urbanization" to support growth and employment, (5) reform the fiscal and financial sector.

Changes to section B (Economic Outlook and Challenges to Growth)

Please discuss changes to the economic outlook and challenges, and if desired, highlight any new and existing gaps remaining to be addressed. Add discussion of risk of persistent stagnation, if relevant.

Update table of key indicators as follows:

Key Drivers

Domestic demand continued to be the key drivers of growth, with consumption as the basis and investment as the key. Domestic demand contributes 98.3% to growth in 2014.

Consumption is the main focus of boosting domestic demand. In 2014, final consumption accounted for 3.8 percentage points of the GDP growth, and its contribution to GDP growth reached 51.6%, 3.4 percentage points higher than that of last year. Total retail sales of consumer goods amounted to 27.2 trillion yuan, growing by 12.0% year-on-year. Enormous potential arose in new patterns and new areas of consumption. Internet retail sales nationwide reached 2.8 trillion yuan, growing by 49.7% year-on-year; consumption on IT products grew by 27% to 2.8 trillion yuan; revenue of domestic tourism grew by 15.4% to 3.0 trillion yuan, and the turnover of e-commerce grew by more than 28.6% to 13.4 trillion yuan.

Investment is crucial to keep growth stable. In 2014, capital formation accounted for 3.4 percentage points of the GDP growth, and its contribution to GDP growth was 46.7%, 7.5 percentage points lower than that of last year. Total investment in fixed assets grew by 15.3% to 51.3 trillion yuan; in particular, private investment grew by 18.1% to 32.2 trillion yuan, accounting for 64.1% of the total (excluding investment by rural households), 1.4 percentage points higher than the previous year.

Macroeconomic Policy Settings

China implements a proactive fiscal policy, and seeks to increase the expenditure and the deficit by an appropriate amount to ensure a proper stimulus. In 2015, fiscal deficit of China is estimated at 1.62 trillion yuan, 270 billion yuan more than that of 2014. The deficit-to-GDP ratio will rise to 2.3% from 2.1% in 2014.

China will continue to implement a sound and prudent monetary policy, based on balanced consideration of the need to stabilize growth, implement reform, promote adjustment, improve people's wellbeing, and guard against risks, aimed at stable monetary and financial conditions for structural adjustment, transformation and upgrading. M2 is forecasted to grow at around 12% in 2015.

Assessment of Obstacles and Challenges to Growth

China is facing both favourable and unfavourable factors. China is still in a crucial strategic period of development, during which great progress can be achieved. Steady progress is being made in the development of new types of industrialization, applications of information technologies, urbanization, and agricultural modernization. The foundation

underpinning development is increasingly stronger, and the benefits of reform are gradually unfolding, which provide solid foundation and favorable conditions for maintaining a medium and high growth rate for a period to come. However, downward pressure on China's economy is still mounting, and the inherent driving forces need to be strengthened. There are potential risks in public finance and financial sector. Some industries are heavily burdened by excess capacity, and macro-management is facing increasing difficulties. Capital market is still not mature. Rising cost of production and operation of enterprises coexists with the lack of innovation capability. Economic development is still to be reconciled with resource and environment, as conserving energy and reducing emissions remain an arduous task. Employment remains a great challenge overall, as structural mismatches remain.

At the same time, the world economy is undergoing profound adjustment, its recovery lacks momentum, the influence of geopolitical issues is increasing, and there are a greater number of uncertainties at play. Adjustment of macroeconomic policies by some countries introduced new uncertainties, and emerging economies are facing new difficulties and challenges. The global economy is undergoing profound adjustment and international competition is intensified.

Current and Future Growth Prospects

Chinese current growth and projections based on current policy framework for 2013-2018 are as follows:

(Actual values in 2014, except for output gap, and savings as a percent of GDP, are official data. The rest values, including projections for 2015-2019, are academic estimates and do not represent authorities' assessment.)

Key Indicators

	2014***	2015	2016	2017	2018	2019
Real GDP (% yoy)	7.3	7.0	6.6	6.6	6.6	6.6
Nominal GDP (% yoy)	8.2	7.8	7.3	7.5	7.6	7.6
Output Gap (% of GDP)*	-0.6	-0.5	-0.5	-0.3	0.3	0.3
Inflation (% ,yoy)	2.0	1.6	1.8	2.0	2.0	2.1
Fiscal Balance (% of GDP)**	-2.1	-2.3	-2.4	-2.5	-2.5	-2.5
Unemployment (%)	4.1	4.3	4.5	4.4	4.4	4.4
Savings (% of GDP)	48.2	48.2	47.7	47.6	47.3	47.1
Investment (% of GDP)	45.9	46.0	45.6	45.5	45.2	45.0
Current Account Balance (% of GDP)	2.1	2.2	2.1	2.1	2.1	2.1

***A positive (negative) gap indicates an economy above (below) its potential.**

****A positive (negative) balance indicates a fiscal surplus (deficit).**

***** Indicators can be presented on a fiscal year basis, should they be unavailable for the calendar year.**

Changes to section C (Policy Responses to Lift Growth)

Please indicate any adjustments to measures taken in Brisbane Growth Strategies as well as new high impact policy measures taken since Brisbane.

Please include both macroeconomic and structural policy responses.

New Macroeconomic Policy Responses

-New Fiscal Policy Commitments

China will continue to implement a proactive fiscal policy, optimize the structure of government expenditures and use government funds more efficiently, improve tax policies that encourage structural adjustments, strengthen local government debt management; promote sustainable agricultural development and advance urbanization; establish sustainable medical and health care and social security funding mechanism; give impetus to the reform and development of education, science and technology, and culture; improve the structure of central infrastructure investment; continue to review and regulate charges and fees to reduce the burden on businesses; based on the Railway Development Fund attract social capital into the railway construction, especially in central and western regions; support the pilot and demonstration projects to build a new type of urbanization; promote the use of Public and Private Partnership (PPP) model, and encourage the involvement of nongovernmental capital in investing and operating urban infrastructure by means of franchises and other ways; leverage the role of development finance and accelerate redevelopment of shanty towns; push forward mass entrepreneurship and innovation, and accelerate the establishment of national guidance fund for venture capital in emerging industries and national SME development fund; encourage and guide the development of production-oriented service industries; promote the development of the green industry and provide more support to new energy, energy-saving and environmental friendly technologies and products; actively carry forward pilot projects on the using and trading of emission rights, encourage energy saving and emission reduction, and promote the development of the circular economy.

-New Monetary Policy Commitments

The People's Bank of China will continue to implement the prudent monetary policy. It will strengthen and improve macro-prudential policy, use a combination of quantity and price tools, keep the monetary policy neither too tight nor too loose, maintain liquidity at an appropriate level, achieve appropriate growth of monetary supply, credit and aggregate social financing, and improve the structure of financing and credit. Moreover, monetary policy is to be closely linked with the deepening reform, and the market is to play a decisive role in resource allocation. The macro-management shall be further improved in light of the financial deepening and innovation, and the transmission shall be complete. Financial services are to be enhanced by increased supply and competition, with lower cost of financing, higher efficiency of financial transactions and greater capability of serving the real economy

The New policy action:	Strengthen financial support to the real economy
Implementation path and expected date of implementation	Cut the benchmark interest rates and further promote interest rate marketisation. On November 22, 2014, the People's Bank of China (PBC) cut the one-year RMB benchmark lending rate by 0.4 percentage point to 5.6% and deposit interest rate by 0.25 percentage point to 2.75%. On March 1, 2015, the PBC cut the one-year RMB benchmark lending rate and deposit rate both by 0.25 percentage point. On May 11, 2015, the PBC again cut the one-year RMB benchmark lending rate and deposit rate both by 0.25 percentage point. On June 28, the PBC cut the one-year RMB benchmark lending rate and deposit rate both by 0.25 percentage point. While the reform of interest rate marketisation is promoted, the upper limit of the floating range for deposit interest rates was raised three times from 1.1 times the benchmark level to 1.5 times. On June 2, 2015, <i>Administrative Rules on Certificates of Deposit</i> was issued and the first batch of certificates of deposit was launched on June,15, the interest rate of which was obviously lower than that of the wealth management products with the same maturity, playing a positive

	<p>role in reducing social financing cost.</p> <p>Lower reserve requirement ratio (RRR) for targeted financial institutions, and maintain the appropriate growth of monetary credit and social financing aggregate. On February 5, 2015, the PBC lowered the RMB RRR by 0.5 percentage point for all financial institutions, with an extra cut of 0.5 percentage point for city commercial banks and non-county-level rural commercial banks which have reached the required ratios in their lending to micro and small enterprises and with an extra cut of 4 percentage points for Agricultural Development Bank of China for the purpose of financial inclusion.</p> <p>On April 20, 2015, the PBC lowered the RMB RRR by 1 percentage point for all financial institutions. At the same time, an extra of 1 to 2 percentage points of RRR reduction was approved for Agricultural Development Bank of China, rural cooperative banks, rural credit cooperatives, village banks, finance companies, financial leasing companies and auto financing companies.</p> <p>On June 28, 2015, the PBC lowered the RMB RRR for targeted financial institutions. The RRR is cut by 0.5 percentage point for city commercial banks and non-county-level rural commercial banks which have reached the required ratios in their lending to the agricultural sector, rural areas and farmers; the RRR is cut by 0.5 percentage point for large state-owned commercial banks, joint-stock commercial banks and foreign-funded banks which have reached the required ratios in lending to the agricultural sector, rural areas and farmer or to the small and micro enterprises; and the RRR is cut by 3 percentage points for finance companies to encourage them to play a bigger role in improving enterprises' efficiency in fund using.</p> <p>Strengthen the financial support to small and micro companies by enlarging the size of re-lending to them and their quota of special financial bond issues, expanding the guarantee for small and micro companies, increasing the efficiency of credit approval, minimizing the financing costs, streamlining unnecessary charges, and enhancing the risk monitoring and supervision. Push forward the implementation of differentiated regulation policy, and innovate the financial service models and products for small and micro companies.</p> <p>Formulate measures to enhance the financial services to agriculture, rural areas and farmers. Deepen reforms on rural credit cooperatives, develop village banks, implement policies of using a certain portion of deposits of county-level banks to support local development, and improve subsidized lending policies to support poverty alleviation. Ensure the full coverage of basic financial services in remote villages, improve the policy of subsidizing the premium in agricultural insurance, foster the rural financial markets, and refine policies on incentives to newly increased agricultural related lending of county-level financial institution, tax preferences for rural household microfinance, and compensation for the rural credit loss.</p>
<p>What indicator(s) will be used to measure progress?</p>	<p>The growth speed of loans to agriculture-related loans and small and micro enterprises, the number of borrowers and the approval ratio of loan application.</p>
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit. More support to the real economy, agriculture, rural areas and farmers, and small and micro enterprises.</p>

-New Structural Policy Responses

Transform economic growth pattern and promote consumption

<p>• The New policy action:</p>	<p>Deploy and improve related policies for consumer goods exports and imports, and expand domestic consumers' choices</p>
<p>Implementation path and expected date of implementation</p>	<p>For imported daily consumer goods that are greatly demanded by domestic consumers, tariff has been reduced for certain selected products since June 2015, and the scope of tariff-reducible goods will be gradually expanded.</p> <p>Under the ongoing tax reform, improve the consumption tax policy for popular consumer goods including cosmetic products, coordinate and adjust the scope, rate and collection of tax.</p> <p>Increase the number of and reopen duty free shops in the inbound ports, appropriately expand the varieties of duty free goods, and increase the quota for purchasing duty free goods, facilitating domestic consumers to purchase imported goods in domestic market.</p> <p>Further facilitate customs clearance and tax refund for foreign tourists. Establish the inspection and quarantine policies supporting cross-border imports by e-commerce, and clear the inappropriate charges on imports.</p> <p>Accelerate the upgrading process for Chinese products and brands, support the development of real stores, and make online and offline stores interact with each other. Regulate the market order, crack down on counterfeit goods, and promote the selection of the superior and elimination of the inferior.</p>
<p>What indicator(s) will be used to measure progress?</p>	<p>Changes in the import volume and amount of pilot products after tax reduction</p> <p>Sales increase and growth rate of duty free shops in inbound areas</p>
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit</p>
<p>• The New policy action:</p>	<p>Conduct pilot individual income tax reduction for those purchasing commercial health insurance, and mobilize more resources to support people's livelihood</p>
<p>Implementation path and expected date of implementation</p>	<p>Develop commercial health insurances and make them consistent with and complement to the basic medical insurances.</p> <p>Conduct pilot individual income tax reduction, based on international practices.</p> <p>For the money individuals used to purchase such commercial health insurance, an average amount of up to 2400 yuan can be deducted before tax in the year when the insurance is purchased.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit that could contribute to the modern service sector development, boost domestic demand and adjustment the structure.</p>

<p>• The New policy action:</p>	<p>Nurture consumer finance companies and expand the pilot program to the whole country so that consumption can give a stronger boost to the economy.</p>
<p>Implementation path and expected date of implementation</p>	<p>Expand the pilot program of consumer finance companies to the whole country. Encourage qualified sponsors with consumer finance resources, especially private capital, domestic and international banking financial institutions and internet companies, to set up consumer finance companies. Permits will be granted to these companies provided certain criteria are met.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>

Fiscal and tax reform

<p>• The New policy action:</p>	<p>Implement measures to coordinate the use of government funds, so as to stabilize economic growth, promote structural adjustment, and improve people's living standards through the proactive fiscal policy.</p>
<p>Implementation path and expected date of implementation</p>	<p>Redirect surplus funds and carryover funds exceeding two consecutive years in regions and departments to key construction projects. Carryover funds within two consecutive years will be used in an accelerated manner, or could be redirected to other areas in urgent need. Starting from 2016, for the regions and departments with relatively large available government funds by the end of previous year, their budgets for the next year will be cut appropriately.</p> <p>Promote the integration of the funds under main projects, such as science and technology, education and agriculture, while accelerating the using of carryover and surplus funds.</p> <p>Establish dynamic adjustment mechanism, so that the project budgets with slow progress in implementation could be partially taken back by the finance authority at the same level by a certain proportion and be redirected to other areas.</p> <p>Review and integrate special transfer payments, delegate the powers of allocating funds and determining projects to local governments, and allow local governments to experiment the coordinated use of funds.</p> <p>Strengthen the coordination between the funds within departments and across different departments, and avoid repeated expenditures and rigid use of funds.</p> <p>Place the unused available funds raised by local government debts under budget management, and coordinate its usage with incremental debt funds.</p> <p>Manage the government-managed funds and special use revenue in the approach of directory and list, intensify the effort to transfer fund from the governmental funds and the budget for state capital operations into general public budget and strengthen the coordinated use of those funds.</p> <p>Coordinate budget planning and implementation, and strictly control</p>

	expenditure budgets prepared by finance departments for other departments and projects at all fiscal levels. Establish cross-year budget balancing mechanism, develop pilot fiscal plan in a rolling three-year basis in the fields of water conservancy and social security.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

Financial sector reform

• The New policy action:	Further promote the securitization of credit assets, and mobilize stock funds through reform and innovation.
Implementation path and expected date of implementation	<p>Increase the volume of the pilot credit asset securitization program by 500 billion yuan, continue to improve mechanisms and simplify procedures, and encourage one-off registration and separate issuances at their own.</p> <p>Regulate information disclosure, and support the listing and transactions of securitized products in stock exchanges.</p> <p>Pilot banks should set aside funds to support to the shanty house reconstruction, hydraulic projects, central and western railway construction, etc.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New policy action:	Pass the Amendment to the Commercial Bank Law of the People's Republic of China (draft)
Implementation path and expected date of implementation	<p>Following international practices, this draft deletes the requirement of deposit-to-loan ratio, and that ratio has now become an indicator monitoring liquidity instead of a mandatory one that commercial banks have to comply with. This helps improve the financial transmission mechanism and enhance financial institutions' lending capacity to the agriculture, rural areas and farmers, micro and small companies, etc. On August 29th 2015, the 16th session of the Standing Committee of the 12th National People's Congress approved the decision to revise the Commercial Bank Law of the People's Republic of China: first, deleting the requirement that the deposit-to-debt ratio should not exceed 75%; second, deleting the "deposit-to-loan ratio" in the third paragraph of article 75. This decision came into effect from 1st October 2015.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

<p>• The New policy action:</p>	<p>The CBRC Guidance on Promoting the Development of Private Banks has been officially forwarded to the public, promoting private capital to establish medium and small banks in line with the law.</p>
<p>Implementation path and expected date of implementation</p>	<p>On June 26, the Office of the State Council has officially forwarded the CBRC Guidance on Promoting the Development of Private Banks (hence after referred as the Guidance), an important step to improve the institutional layout and financial service, marking a reform and development opportunity period that private banking financial institutions enter into.</p> <p>On the procedure of establishing private banks, the CBRC will delegate the approval authority and set a time limit for the approval procedures, shortening the approval process. From the day when an applicant submit complete documents for establishing a private bank, the CBRC shall make written decisions on whether or not to approve the application within 4 months.</p> <p>As for the market access, the Guidance has set four standards: capital standard, which encourages private enterprises that have already met certain requirements to invest their own funds in banking financial institutions, and as for financial indicators, requires enterprises to make profits in the latest three consecutive accounting years, the net assets after year-end distribution to account for more than 30% of the total assets, and the equity investment balance to account for no more than 50% of the net assets; shareholder standard, which requires the corporate governance structure and institution of the capital owner legal person shareholders that invest in private banks to comply with the Corporation Law, simple and transparent related enterprises and equity relations, and organizational structure without related transactions and a bad record; banking standard, including designing a good equity structure and corporate governance structure and ensuring an appropriate and feasible business scope, market positioning, business philosophy and plan; institutional standard, which requires institutional arrangements that can take the remaining risks, qualifications to operate a bank, capacities to manage risks, clauses that requires shareholders to be subject to supervision, and a legal and feasible recovery and resolution plan.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>

Urbanization

<p>• The New policy action:</p>	<p>Strengthen urban shantytown reconstruction and urban and rural dilapidated housing renovation, and push forward the construction of supporting infrastructures.</p>
<p>Implementation path and expected date of implementation</p>	<p>According to the plan of new urbanization that centers on people, China is implementing a “three-year” action plan, which includes the transformation of 18 million shantytowns of various kinds such as urban dilapidated housing and villages inside cities, and of 10.6 million households of rural dilapidated housing, with supporting infrastructures such as public transportation, water, gas, and heating supply, and</p>

	<p>telecommunication being planned and constructed at the same time.</p> <p>Approval procedures will be accelerated and preceding work concerning land acquisition, compensation and resettlement should be carefully carried out. Government shall scale up inputs, make sure the subsidies for renovation of rural dilapidated housing be allocated from county-level finance to households directly, promote monetary compensation for resettlement, encourage municipal and county governments to purchase shantytown transformation services and include them in the fiscal budgets, and shall fiscal gaps emerge, provincial governments could offer support by issuing local government bonds on their behalf in line with the Law. Market-based financing such as franchising should be encouraged, and supply of credit should be increased appropriately. Monitoring of project quality and funds flow shall be strengthened.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

Investment and infrastructure

• The New policy action:	<i>Administrative Rules on Infrastructure and Utility Franchise was approved by the State Council to stimulate private investment.</i>
Implementation path and expected date of implementation	<p>Franchising will be allowed in the fields of infrastructure and utility such as energy, transportation, water conservancy, environment protection, and municipal administration.</p> <p>Domestic and overseas legal persons or other organizations could seek, within certain period and scope and through fair competition, to participate in investment, construction and operation of infrastructure and utility and gain profits.</p> <p>Pricing or fee-charging mechanism of franchising will be improved. The government could grant necessary fiscal subsidies according to the agreements, and will streamline procedures concerning project planning and site selection, land use, project ratification, etc. Policy and development financial institutions could offer differentiated credit support, and the maximum term of loans could reach thirty years.</p> <p>Loans pledged by expected proceeds of franchising projects will be allowed, and other financing channels will be explored, such as encouraging the provision of project capital by purchasing shares in the form of setting up industry funds, establishing private equity funds by project companies, and issuing securities backed by project proceeds, asset-backed securities, enterprise bonds, corporate bonds, etc.</p> <p>Agreements shall be strictly fulfilled to protect legal rights of franchisers, stabilize market expectations, attract and expand effective social investment.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New policy action:	Expand effective investment in key areas, and let it play the multi-roles in stabilizing growth, adjusting structure and benefiting the people.
Implementation path and expected date of implementation	<p>China will adjust investment structure, make better use of the existing investment, and increase central government investment to stimulate more local and social investment, with the aim of upgrading and transforming electricity network in rural areas, constructing food warehouses and related instruments, sewage treatment facilities, transformation and relocation of old urban industrial zones and independent industrial and mining zones, etc.</p> <p>On the basis of accelerating the construction of seven key project packages such as water conservancy and railways in the central and western regions, China will actively make plans for four new project packages including emerging industry, improving core competitiveness of the manufacturing sector, modern logistics industry, and urban railway system.</p> <p>China will guide financial institutions to establish quick access to accelerate loan approvals for key projects and PPP projects and promote sustainable growth of effective investment.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	<p>New policy commitments since Brisbane Summit.</p>

• The New policy action:	Establish China Insurance Investment Fund to let financial innovation better serve the real economy.
Implementation path and expected date of implementation	<p>According to the principle of commercial sustainability and market-based operation, China will set up the China Insurance Investment Fund, with an amount of 300 billion yuan and aiming at constructions such as shantytown transformation, urban infrastructure, key water conservancy projects and transportation facilities in the central and western regions, the “Silk Road Economic Belt and the 21st Century Maritime Silk Road”, and key projects related to international cooperation in building up production capacity, etc.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	<p>New policy commitments since Brisbane Summit.</p>

Employment

<p>• The New policy action:</p>	<p>Propose supportive policy measures for the development of “start-up business space” to establish new platforms for business start-ups and innovation.</p>
<p>Implementation path and expected date of implementation</p>	<p>Based on the incubating models such as maker space and innovation workshops, the market-based, professional, integrated and internet-supported “start-up business space” should be promptly developed, so as to combine innovation and start-ups, online and offline activities, and incubation and investment, and provide open and comprehensive service platforms that are low-cost and convenient for small and micro start-up business and individual start-ups.</p> <p>There will be more supportive policies. Adapting to the feature of centralized work space of new incubating institutions such as “start-up business space”, efforts will be made to streamline registration procedures and offer convenience to start-up business. For local governments with capacities, it is encouraged to grant appropriate subsidies to “start-up business space” concerning rents, broadband networks, public domain softwares, etc., or to provide low-cost offices by means of mobilizing idle workshops.</p> <p>Investment and financing mechanisms for start-up business shall be improved. The government guiding fund on investment in start-up business and fiscal and tax policies should play their role in supporting growth SMEs on seed stage and venture stage, and cultivating angel investment. Financing mechanism of online equity-based crowd-funding shall be enhanced, regional equity transaction market shall be developed, and financial institutions shall be encouraged to develop products and services such as loans collateralized by technology and loans pledged by intellectual property rights.</p> <p>A good ecosystem for start-ups and innovation shall be pursued. Guiding and advising mechanism and training camps for start-ups, and competitions for start-up business and innovators will be promoted, and the culture of makers will be cultivated, so as to form the trend of start-ups and innovation.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>
<p>• The New policy action:</p>	<p>Create more jobs and encourage entrepreneurship to stabilize employment, benefit people’s livelihood, and support economic growth.</p>
<p>Implementation path and expected date of implementation</p>	<p>Allow the targeted priority group such as college graduates and registered unemployed workers, who choose to start individual business or individual owned enterprises, to enjoy preferential tax policy in line with the law. Allow the micro and small enterprises that recruit new college graduates in their graduation year to enjoy one-year social security subsidy and extend the maturity of the policy from year-end to long-standing. In line with the law, the policy for unemployment insurance fund to support firm’s stabilizing jobs will be extended to all enterprises that participate in insurance, and lay off few or no employees.</p>

	<p>The office space registration conditions for newly registered enterprises will be eased. Reforms such as “one address registered to multiple firms” and clustered registration shall be pushed forward.</p> <p>The small-sum guaranteed loans shall be changed to start-up guaranteed loans, and the ceiling of the amount of the loans will be adjusted to 100 thousand yuan from 100 thousand yuan or less than 100 thousand yuan. For the interest rate of individual loan that exceeds the basic interest rate by more than three percent, public finance will provide subsidies to the three percent part, and related procedures will be simplified.</p> <p>More policies will be issued to encourage rural labour force to start business. Innovation parks will be developed for rural migrant workers to return to their hometowns to start business, and rural people are encouraged to start business through the internet. Professionals and technicians in colleges and research institutes are encouraged to start business on the job or after taking a leave, and for those who take a leave with permission, their positions could be reserved for three years.</p> <p>When calculating household income, deduct necessary employment costs for the group living on minimum subsistence allowances if they get employed or start their own business.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>

<p>• The New policy action:</p>	<p>Implement more policies to encourage workers such as rural migrant workers to return to their hometowns to start business, so as to create new motives for mass entrepreneurship and innovation.</p>
<p>Implementation path and expected date of implementation</p>	<p>The office space registration conditions will be eased. Reforms such as “one address registered to multiple firms” and clustered registration shall be pushed forward.</p> <p>Targeted tax reduction and general fee cuts will be implemented towards people such as rural migrant workers who return to their hometowns to start business, and loan subsidies will be granted by public finance to start-up business guaranteed loans according to related rules.</p> <p>In areas where more people tend to return to their hometowns and start business, the issuance of SME and micro enterprise set bonds should be explored, and banks will be encouraged to expand credit support and increase services.</p> <p>Based on current development zones and agricultural industry parks, start-up business zones for those entrepreneurs who return home and incubating bases should be developed. E-commerce enterprises are encouraged to expand their business and transaction platforms and channels to the rural areas, which will also facilitate internet entrepreneurship.</p> <p>More training will be offered for those who want to start new business. The rural migrant workers who return home for starting new business</p>

	shall be included in the public service system covering social security, housing, education, medical service, etc. Mechanisms such as government procurement of services could be used to help these entrepreneurs who return home to start business in improving performance and expanding market.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

(7) Competition

• The New policy action:	Lower fees comprehensively, further reducing the burden and boosting the growth of enterprises especially of micro and small enterprises
Implementation path and expected date of implementation	<p>From January 1, 2015, (1) to waive or suspend collecting fees which fall into the category of public services provided by the government or embody general management functions, and are charged complying with laws and regulations, including 12 charges such as enterprise and individual business registration fees.</p> <p>(2) 42 administrative fees including the organizational code certificate fee will be waived on micro and small enterprises. From January 1, 2016 to the end of 2017, five governmental funding fees such educational surcharge and cultural undertaking fee will be waived on micro and small enterprises with monthly sales or turnover less than 30,000 yuan within three years from the business registration date.</p> <p>(3) Disabled employment security fee will be waived on micro and small enterprises, with a disabled employee ratio lower than the required level and total employees less than 20 people, within three years from the business registration date.</p> <p>(4) Seven fees including land rehabilitation fee and property ownership registration fee will be reduced or waived on nursing homes and health care institutions. Management, registration and license types of administrative fees will continue to be waived on college graduates, registered unemployed, disabled and demobilized soldiers who start their own business.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit. More than 40 billion yuan will be reduced every year for enterprises and individuals.

<p>• The New policy action:</p>	<p>Further streamline administrative procedures and delegate power to lower levels, and lift non-administrative permission and approval requirements so as to deepen reforms</p>
<p>Implementation path and expected date of implementation</p>	<p>Further eliminate approval procedures and delegate approval power to lower levels, publish all the preserved approval procedures, and shorten approval process. Eliminate more than 200 approval procedures which the central government has designated local governments to implement. Publish the power list of provincial-level governments and public institutions which perform administrative functions.</p> <p>Create and publish enterprise investment approval and compulsory intermediary services list, simplify application procedures and accelerate the construction of online approval supervision platform.</p> <p>Complete the task of reducing professional qualification permission and identification, and study on establishing national professional qualification list management mechanism. Address problems such as passing an examination is linked with attending certain training programs.</p> <p>Push forward the reform of fee collection mechanism, accelerate the process of banning and stopping collecting fees which are charged without any justification and beyond given authority or fees which are increased and charged across a larger range without authorization, and publish national, ministerial and provincial fee list.</p> <p>Facilitate business registration, achieve "combining three licenses into one" and "one license one code", conduct pilot program of quick registration cancellation, and establish a "national net" where the credit information of enterprises is published.</p>
<p>What indicator(s) will be used to measure progress?</p>	<p>The number of approval procedures that has been cancelled.</p>
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>

<p>• The New policy action:</p>	<p>Promote public and private partnership model, and pool resources from all society to increase the supply of public goods and services</p>
<p>Implementation path and expected date of implementation</p>	<p>Simplify approval procedures, guarantee project land, support local government and financial institutions to set up funds and use measures such as preferential tax treatment, money awards and fiscal transfers. Resort to various measures to attract private capital to participate in the investment and operational management of public goods and services.</p> <p>Encourage project operation entities to use capital market for direct financing. Take advantage of development and policy financial institutions' strength in medium and long term loans, and support social security and insurance funds to participate in projects.</p> <p>Establish a dynamic price and subsidy adjustment mechanism for public services, adhere to the idea of cost compensation, quality services at affordable prices and fair burden-sharing, and ensure that private capital and the public will both benefit.</p> <p>Improve systems, standardize procedures, strengthen quality supervision, and enhance the supply capacity and efficiency of public goods and services.</p>

What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New policy action:	Decide on policy measures to encourage entrepreneurship and innovation, expanding new development space
Implementation path and expected date of implementation	<p>Encourage local governments to set up start-up funds and give preferential treatment to the offices, network, etc. of the mass entrepreneurship space. Provide taxation support for micro and small enterprises, incubators and angel investment aiming at innovative activities. Promote the pilot program of allowing tech enterprises to turn accumulated funds into equity and individuals to pay their individual income tax for share awards by installment.</p> <p>Develop innovative financing models such as linking loans with investment and equity crowd-funding, promote start-ups with special equity structure to go public domestically, and encourage the development of mutual insurance. The national entrepreneurship and investment leading fund should serve as a seed fund, supporting state, foreign and other capital to carry out investment and start business.</p> <p>Lift restrictions that hamper the free flow of talents such as Hukou system and education background, and create enabling environment for entrepreneurship and innovation. Provide growth space for new technologies, new industries and new models, and restrictions should not be imposed at will.</p> <p>Mobilize the stock factories, logistics equipments, etc. so as to provide low-cost offices for entrepreneurs. Develop third-party services such as start-up incubation, marketing and financial services.</p> <p>By streamlining administrative procedures and delegating power to lower levels, deregulating and strengthening management and optimizing services, the government can play a better role in increasing market vitality and promoting entrepreneurship and innovation. Strengthen protection for intellectual property rights, and boost entrepreneurship and innovation by measures such as information and technology sharing platform and government procurement.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New policy action:	Use big data to optimize government services and supervision, so as to increase the efficiency and capacity of administration
Implementation path and expected date of implementation	<p>Accelerate the construction of government information project, promote publishing and sharing government information, and publish online the government information required by law to be published and concerning procedures and requirements that people need to follow. Make better use of new media such as the Internet to serve enterprises and the public.</p> <p>Promote publishing market entity information, timely publish online information required by law such as administrative permission and punishment, build credit information sharing and exchanging platform, push forward one-stop credit information inquiry system, and establish a mechanism that collectively reward those who honor their commitment and punish those who fail to do so.</p> <p>Introduce big data supervision in key areas such as environmental protection and food and drug safety, and actively investigate and address activities that violate laws and regulations. Use the government "cloud" to increase the efficiency of government services and supervision, benefiting the public.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	<p>New policy commitments since Brisbane Summit.</p>

• The New policy action:	Lower the premium rate of work-related injury and maternity insurance, furthering easing enterprises' burden
Implementation path and expected date of implementation	<p>On the basis of reduced premium rate of unemployment insurance, from October 1, the average premium rate of work-related injury insurance will be lowered from 1% to 0.75% , and more benchmark rate tranches will be introduced according to different degrees of risks in different industries, and rates can be upward or downward adjusted for enterprises according to their ratios of work-related injury; the premium rate of maternity insurance will be lowered from up to 1% to up to 0.5%; rates should be lowered for areas where the work-related injury and maternity insurance funds have already exceeded the appropriate amount.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	<p>New policy commitments since Brisbane Summit. 27 billion yuan will be reduced for enterprises every year.</p>

(7) Trade

<p>• The New policy action:</p>	<p>Accelerate the development of trade in services, expanding development space by improving structures</p>
<p>Implementation path and expected date of implementation</p>	<p>Increase the volume. Strengthen the advantage of scale in labour-intensive service export sectors such as tourism and construction. Focus on trade in service in capital- and technology-intensive sectors including transportation, telecommunication, finance, insurance, computer and information service, consulting, researching and designing, energy conservation and environmental protection, and environmental service, and promote the export of cultural service.</p> <p>Improve structures. Increase the ratio of high value-added services in the total import and export of services. Optimize international market layout and domestic regional layout.</p> <p>Innovate models. Innovate service trade models with the help of new technologies such as big data, internet of things, mobile internet and cloud computation. Become active in international service outsourcing market.</p> <p>Nurture market entity. Nurture service brands with international influence, and support the development of small and medium enterprises with their own characteristics and good at innovation.</p> <p>Boost bilateral investment in service sector. Explore the possibility of applying the pre-establishment national treatment plus negative list management model to foreign investment. Promote the opening-up of service sector in an orderly manner. Support service enterprises to carry out investment cooperation abroad.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>

<p>• The New policy action:</p>	<p>Improve the policy measures of boundary ports, and promote the expansion of opening up and steady development of trade.</p>
<p>Implementation path and expected date of implementation</p>	<p>Eliminate and delegate more approval authority related to the customs clearance in the boundary ports as well as to the import and export links, eliminate all the relevant non-administrative approval procedures, and forbid establishing approval or quasi-approval procedures against the law. Simplify the necessary approval procedures and clarify the standards, and promise to complete the procedures within a certain time period.</p> <p>Improve customs clearance services, increase the ratio of non-intrusive and non-interfering inspection, publish more administrative information on law enforcement in boundary ports, eliminate administrative fees charged against regulations in import and export links, further regulate operational and service charges, and promote digital customs clearance, easing burden of and provide facilitation for enterprises.</p> <p>Innovate the coordination and cooperation mechanism of customs clearance, accelerate the development of cross-region and cross-sector customs clearance, promote the national integration of customs clearance, change from series connection to parallel connection, and</p>

	actively promote "one window" for international trade. Optimize the layout of boundary ports, establish and improve the customs clearance management and quality safety inspection system, so as to provide a more flexible and enabling environment for start-ups and innovation, and contribute to the development of Chinese economy which expands at a medium to high rate and moves towards a medium and high level.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New policy action:	Promote the healthy and rapid development of cross-border e-commerce, and foster the upgrading of an open economy
Implementation path and expected date of implementation	<p>Improve customs clearance procedures, simplify the classification of cross-border e-commerce export products, implement the registration management mechanism of operational entities and products, and introduce facilitating measures such as centralized declaration, inspection, and release. If domestic companies or individuals conducting cross-border e-commerce trade on the e-commerce trading platforms that are verified by the customs and linked to the net of the customs, the customs procedures will be finished within 24 hours (except that the goods need to be examined or dealt with under other conditions) after the goods arrive in the customs' supervision area and this service will be available all the year (365 days).</p> <p>Implement the tax refund and tax free policies for cross-border e-commerce retail export goods. Encourage cross-border e-payment, promote pilot cross-border foreign exchange payment program, and support the expansion of overseas business of domestic bank card settlement institutions.</p> <p>Encourage foreign trade comprehensive service enterprises to provide services such as customs clearance, storage and financing. Guide enterprises to regulate their operations, and fight against illegal and infringement activities.</p> <p>Encourage cross-border e-commerce retail export enterprises to expand their marketing channel through overseas warehouses, experience stores, etc., cultivate their own brands and establish their own platforms. Appropriately increase imported consumer goods.</p>
What indicator(s) will be used to measure progress?	Changes in the volume and amount of imports after tax reduction
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

(8) Inclusive Growth

• The New Policy Action:	Coordinate and push through income distribution reforms
Implementation path and expected date of implementation	Introduce the <i>Guidance on Deepening Income Distribution Reforms</i> , establish an interministerial meeting mechanism on deepening income distribution reforms and push through income distribution reforms.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New Policy Action:	Deepen wage system reforms
Implementation path and expected date of implementation	<p>Implement the minimum wage system and raise low-income employees' wages. Improve the mechanism for adjusting minimum wage standards and thus make the adjustment more reasonable. Guide local governments to appropriately adjust minimum wage standards according to <i>Minimum Wage Requirements</i> and based on local average wages, consumer price index, local economic development levels and other factors, so as to gradually raise low-income employees' wages.</p> <p>Establish the collective wage bargaining mechanism and advance the natural increase of employees' wages. Implement the "collective contract system program" and urge those enterprises which have already had trade unions to conduct collective bargaining. Guide enterprises to promote employees' participation in the internal distribution process through collective wage bargaining and democratic management system so that employees' wages will appropriately increase as enterprises' profits grow.</p> <p>Adhere to relevant laws and regulations and advocate the principle of equal pay for same work. Guide and urge enterprises to introduce their own labor rules according to laws and regulations, improve the basic wage system centered on job-specific wages, design and assess positions in a scientific way, form a standardized and unified wage distribution system, and ensure that the principle of equal pay for same work is upheld. Implement the <i>Labor Dispatching Regulation (Interim Version)</i>, and ensure that dispatched employees have the right to earn equal wages for the same positions as those directly employed by enterprises.</p> <p>Deepen enterprise wage system reforms. Introduce the <i>Opinions on Deepening Wage System Reform for Senior Management of Enterprises Owned by the Central Government</i>, adjust the wage structure and unreasonably high income of the senior management, and improve the performance assessment methodology.</p>
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New Policy Action:	Improve the distribution system in which capital, technology, management and other factors can participate
Implementation path and expected date of implementation	Improve the mechanism to sell state-owned resources and share profits with people; improve the budget system for state-owned capital operation; and improve the distribution system in which technological factors can participate.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New Policy Action:	Improve the redistribution adjustment system
Implementation path and expected date of implementation	Improve the transfer payment system and promote the equalization of public services. Establish a social security system that covers both urban and rural areas. Deepen the pension system reforms of the government and public institutions and introduce the <i>Decision on Reforming the Basic Pension System for Government and Public Institutions Employees</i> . Consolidate the urban and rural basic pension systems, establish temporary assistance system and disabled old-aged people subsidy system. Reform individual income tax system, improve tax system and advance structural tax reduction.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New Policy Action:	Tighten regulations on income distribution
Implementation path and expected date of implementation	Implement the <i>Eight-point Regulations</i> and step up anti-corruption efforts. Strengthen the monitoring of senior officials' income, prevent them from gaining illegal income, investigate and examine their wage income and other income, and regulate their on-job consumption. Strictly control government expenditures for travelling abroad, purchasing and maintaining vehicles and official receptions. Establish and improve social credit and income information monitoring system.
What indicator(s) will be used to measure progress?	
Explanation of additionality (where relevant)	New policy commitments since Brisbane Summit.

• The New Policy Action:	Protect the rights of social vulnerable groups
<p>Implementation path and expected date of implementation</p>	<p>Launch and implement <i>Interim Measures of Social Assistance</i>. Build the assistance system in eight areas including minimum living guarantees, interim assistance, medical assistance, etc., and make systemic arrangement for the basic life of those poor and vulnerable people.</p> <p>Launch and implement the <i>State Council Notice of Building Interim Assistance System in an All-round Way</i>. The government will provide contingent and interim assistance to those families which have suffered from sudden events, accidental injury, severe illness or other special events causing a difficult living condition, or those have not been covered temporarily by other social assistance, or still have difficulties in meeting their basic life needs after the assistance, aiming to fill the gaps of social assistance system and guarantee the basic life needs of those people who live in difficult conditions.</p> <p>Launch and implement the <i>State Council Guidance on Promoting the Healthy Development of Philanthropy</i> which emphasizes that philanthropy is an important complement to social assistance system and also an essential element to build a better-off society in an all-round way, and puts forward requirements in encouraging and supporting major philanthropic activities focusing on poverty reduction, cultivating and regulating all kinds of philanthropic organizations, and strengthening supervision, management and leadership.</p> <p>Launch and implement the <i>State Council Opinions on Building Better-off Life for Disabled People</i>, putting forward a series of measures to guarantee and improve the livelihood of disabled people, to share with disabled people the development fruits and to build them a better-off life.</p>
<p>What indicator(s) will be used to measure progress?</p>	
<p>Explanation of additionality (where relevant)</p>	<p>New policy commitments since Brisbane Summit.</p>

ANNEX 2: PAST COMMITMENTS – ST. PETERSBURG FISCAL TEMPLATE - UPDATE

Please update as necessary. In particular, please update tables as follows:

Medium-term projections, and change since last submission (required for all members):

	Estimate Projections						
	2013-14*	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Gross Debt	14.75	15.03	16.43	17.41	18.37	19.27	20.11
<i>ppt change</i>	-1.29	-1.68	0.97	0.44	0.05	NA	NA
Net Debt	—	—	—	—	—	—	—
<i>ppt change</i>	—	—	—	—	—	—	—
Deficit		-2.1	-2.3	-2.4	-2.5	-2.5	-2.5
<i>ppt change</i>	0	0.04	-0.18	-0.31	-0.39	-0.41	NA
Primary Balance		-1.78	-2.05	-2.05	-2.10	-2.10	-2.10
<i>ppt change</i>		-0.11	-0.43	-0.47	-0.51	-0.6	NA
CAPB	—	—	—	—	—	—	—
<i>ppt change</i>	—	—	—	—	—	—	—

* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year.

The debt-to-GDP ratio and deficit projections are contingent on the following assumptions for inflation and growth:

	Estimate Projections						
	2013-14*	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Real GDP growth	7.4	7.3	6.6	6.6	6.6	6.6	6.6
<i>ppt change</i>	-0.1	-0.5	-0.77	-0.70	-0.75	NA	NA
Nominal GDP growth		8.2	7.8	7.3	7.5	7.6	8.2
<i>ppt change</i>	0.5	-2.1	1.2	2.2	2.2	NA	NA
ST interest rate		2.25	1.75	1.75	2.0	2.0	2.0
<i>ppt change</i>	-0.70	NA	NA	NA	NA	NA	NA
LT interest rate		4.25	3.75	3.25	3.0	3.0	3.0
<i>ppt change</i>		-0.05	NA	NA	NA	NA	NA

* Figures can be presented on a fiscal year basis, should they be unavailable for the calendar year

ANNEX 3: PAST COMMITMENTS – BRISBANE COMMITMENTS

The purpose of these tables is to monitor the implementation of commitments from members' Brisbane growth strategies.

Key Commitments for Monitoring Purposes

The detailed table below is for the monitoring of key commitments, as identified by members. Please complete a table for each key commitment.

The Policy action:	I. Transform economic growth pattern to further boost consumption *The order number does not imply the sequence of the measures by the government.		
Detailed implementation path and status	Interim steps	Deadline	Status
	<p>1. Advance the collective negotiation of wages in enterprises and adjust the minimum wage standards, promoting the reasonable increase of employees' wages.</p> <p>(1) Collective negotiation of wages in enterprises</p> <p>a. Expand the coverage of collective negotiation and collective contracts;</p> <p>b. Focus on improving the quality of collective negotiation, enhancing the effectiveness of collective contracts, and gradually establishing standardized and effective mechanism of collective negotiation.</p> <p>(2) Minimum wage standards</p> <p>a. Guide local governments to analyze local economic development, and adjust minimum wage standards based on such analysis ;</p> <p>b. Issue the the</p>	<p>(1) a. end of 2015 b. end of 2016</p> <p>(2) a. continuous work b. end of 2015</p>	<p>(1)In 2015, the <i>Notice on Advancing the Implementation of the Scheme on the Collective Contract System</i> was issued. By the end of 2014, the ratio of signing collective contracts rose to 75%.</p> <p>(2)In 2014, 19 provinces raised the minimum wage standards with an average increase of 14.1 %. As of May 2015, 12 provinces have raised the minimum wage standards with an average increase of 15.1 %. Meanwhile, the <i>Opinion on Improving the Adjustment Mechanism of Minimum Wage Standards</i> is being drafted.</p>

	<p><i>Opinion on Improving the Adjustment Mechanism of Minimum Wage Standards.</i></p>		
	<p>2. Increase farmers' income by increasing spending on "agriculture, rural areas and farmers", improving the subsidy policy for agriculture and creating enabling environment for farmers to work in urban areas as migrant workers.</p>	<p>continuous work</p>	<p>In 2014, the per capita household disposable income increased by 8% in real terms nationwide, faster than the GDP growth; and the per capita disposable income of rural residents grew by 9.2%, surpassing that of urban residents; in rural areas, the number of people living in poverty was reduced by 12.32 million.</p> <p>In 2015, China adjusted agricultural subsidy policies. While ensuring the overall support provided to farmers by the government will not be reduced, subsidies will be mainly granted to large family farming businesses, family farms, farmers' cooperatives, agricultural service agencies and other emerging agribusinesses.</p>
	<p>3. Accelerate the construction of urban and rural social security system, and expand the coverage and increase the benefits of social insurance.</p> <p>(1) Continue to expand the coverage of social insurances for urban employees and for urban and rural residents.</p> <p>(2) Continue to increase urban employees' pension benefits, urban and rural residents' medical and pension benefits and urban and rural residents' minimum living standards.</p>	<p>continuous work</p>	<p>(1)As of the end of 2014, there were millions of people enrolled in the social insurance system, including basic pension system, basic medical insurance system, unemployment insurance system, work-related injury insurance system, maternity insurance system, etc. Among 842.32 million people enrolled in basic pension system, 341.24 million were enrolled in the employee pension system, 501.07 million were enrolled in the household pension system. Among 597.47 million people enrolled in the basic medical insurance system, 282.96 million were enrolled in the employee medical insurance system, and 314.51 million were enrolled in the urban and rural household medical insurance system. 170.43 million people were enrolled in the unemployment insurance system, 206.39 million people were enrolled in the work-related injury insurance system, and 170.39 million people were</p>

			<p>enrolled in the maternity insurance system.</p> <p>(2)The basic pension benefits standard for enterprise retirees continued to increase by 10%. The per capita minimum basic pension benefits for rural and urban residents increased from 55 yuan to 70 yuan per month. The per capita urban subsistence allowances reached 419.5 yuan per month and the per capita rural subsistence allowances reached 237.9 yuan per month.</p>
Impact Measure of	Promote higher household income and increase the level of social security, which could help boost the consumption.		
The action: Policy	II. Further streamline administration, to reduce approval and improve business climate		
Detailed implementation path and status	Interim steps	Deadline	Status
	<p>1. Standardize and improve the approval system for corporate investment projects, and amend and publish administrative rules of corporate investment projects, foreign investment projects, and outbound investment projects.</p> <p>(1) Amend the <i>Catalog of Government Approved Investment Projects (2014 edition)</i>, further narrow the scope requiring approval and delegate approval authority to lower level.</p> <p>(2) Adopt administration system of outbound investment, focused on record-based and supplemented by approval-based. All kinds of outbound investment will only be required to record in the system, with exception of investment</p>	<p>(1) completed</p> <p>(2) completed</p> <p>(3) a. completed b. 2015 c. continuous work</p>	<p>(1) Completed in 2014</p> <p>(2) a. Completed in September 2014. b. Released in April 2014. In addition, the <i>Decision on the Amendment of Guidance on the Approval and Record of Outbound Investment Projects and Guidance on the Approval and Record of Foreign Investment Projects</i> has been released in December 2014.</p> <p>(3) a. Released in May 2015. b. The <i>Guidance Catalog of Industries for Foreign Investment (2015 version)</i> has been officially adopted on 10th of April, 2015. c. Negative lists for foreign investment have been released and adopted in the pilot free trade zones of Shanghai, Guangdong, Tianjin, and Fujian.</p> <p>(4) The <i>Administrative Rule on Government Approval of Investment Projects</i> has been released.</p>

	<p>in sensitive areas.</p> <p>a. Amend the <i>Administrative Rules on Outbound Investment.</i>;</p> <p>b. Release the <i>Guidance on Approval and Record of Outbound Investment Projects.</i></p> <p>(3) Explore the management model of pre-establishment national treatment and negative list of foreign investment.</p> <p>a. Release the <i>Guidance on the Approval and Record of Foreign Investment Projects</i>;</p> <p>b. Release and implement the amended <i>Guiding Catalog of Industries for Foreign Investment.</i></p> <p>c. Promote market liberalization in service sectors, including finance, education, culture, health care in an orderly manner. Ease restrictions on market access to service sectors, including nursery of the new born and the elders, architectural design, accounting and auditing, commerce and logistics, e-commerce, further liberalizing the general manufacturing sector.</p> <p>(4) Standardize the government approval activities for enterprise investment projects.</p>		
	<p>2. Further streamline administration and delegate power to lower level.</p> <p>(1) Streamline and decentralize the</p>	<p>(1)2015 (2)2015 (3) Completed</p>	<p>(1)In 2014, the approval requirements of 246 administrative issues has been removed or delegated to lower level, achieving the government target of reducing 1/3 of the</p>

	<p>approval process. Eliminating approval requirements or delegating to lower level government more than 200 administrative issues in 2014 and furthering the efforts in 2015.</p> <p>(2) Eliminate all kinds of non-administrative approval requirements.</p> <p>(3) Simplify substantially the ex ante approval, improve and regulate the intermediary services.</p> <p>(4) Deepen the reform of the administration of industry and commence, further simplifying the process for capital registration. Strengthen the interim and ex post oversight.</p> <p>(5) Formulate the negative lists of market access. Provincial governments are required to publish the list of power and obligation. Any item out of the list does not require approval.</p> <p>(6) Complete basically the reform of governments at provincial, municipal and county level, and advance reforms of non profitable public institutions.</p> <p>(7) Promote the construction of a social credit system.</p>	<p>(4) Completed</p>	<p>approval requirements earlier than previously scheduled.</p> <p>(3) The Office of State Council released the <i>Notice on Simplifying the Approval Requirement, Regulating the Intermediary Services, and Implementing the Online Approval of Enterprise Investment Projects (State Council Document [2014] 59)</i>.</p> <p>(4) The reform of Record System of Corporate Registered Capital Subscription, and Annual Enterprise Evaluation System transitioned to Annual Publication System has been completed on March 1, 2014.</p>
<p>Impact Measure</p>	<p>of Release the growth potential by streamlining administration.</p>		

The action:	Policy III. Allow more private sector participation and ensure fair competition to activate the strength of the market		
Detailed implementation path and status	Interim steps	Deadline	status
	<p>1. Broaden the access of private capital to the financial sector.</p> <p>(1) Explore the set up of private banks by private capital. In the context of strengthened regulation, accelerate the set up of private banks by qualified private capital in accordance with the Law. Permits will be granted to these banks provided certain criteria are met. And no quota restrictions will apply.</p> <p>(2) Support private capital when participating in the set up of village and town banks (VTB).</p> <p>(3) Encourage and guide qualified private investors to launch consumer finance companies in accordance with commercial and market-based principles.</p> <p>(4) Facilitate the access of newly launched financial leasing companies.</p>	continuous work	<p>(1) In 2014, the launch of 5 pilot private banks was approved. Once the relevant policies are clarified, the experiences will be drawn in time.</p> <p>(2) The <i>Guidance on Promoting the Healthy Development of Village and Town Banks</i> was released in 2014, lowering down the requirement of the minimum shareholding by the principle sponsors of the village and town banks, encouraging the adjustment of holding structure, and steadily increasing shares of the private capital.</p> <p>(3) As of the end of 2014, the China Banking Regulatory Commission (CBRC) has granted approval to 6 consumer financing companies, all of which have participation of private capital at different levels. From 2014 to the end of September 2015, the CBRC has granted the approval of establishment to eight consumer financing companies (two are controlled by private capital), and six of them are already in operation.</p> <p>(4) From 2014 to the end of September 2015, the CBRC has approved the establishment of four private controlled consumer financing companies, and two of them are already in operation.</p>
	<p>2. Apply anti-monopoly measures in accordance with the <i>Anti-Monopoly Law</i> and the principle of “strengthening market regulation, containing monopoly and inappropriate competition”.</p> <p>(1) Inspect and crack down market</p>	continuous work	<p>(1) Activities of price-fixing cases with substantial social consequences, including monopoly agreement, abuse of market control and abuse of administrative power to eliminate or restrict competition, have been cracked down. The inspection system of anti-trust and anti-operation concentration has been established. As of the end of 2014, 958 cases of business concentration were closed, of which, 932 cases were</p>

	<p>irregularities, including monopoly agreements, abuse of market control and other actions in accordance with the Law, and maintain the market competition mechanism effectively.</p> <p>(2) Allow market entities to concentrate their businesses according to the laws and regulations on the basis of fair competition, increase business scale and enhance competitiveness.</p>		<p>allowed to concentrate their businesses, 97% of the total, 24 cases were allowed to concentrate their businesses with conditions and 2 cases were banned to concentration, the latter two adding to 3% of the total. Furthermore, continuous efforts were made in rationalizing enforcement process, including simplifying the reporting process, speeding up the case filing process, and inspection process.</p>
Impact of Measure	Stimulate market vitality through private sector participation and fair competition.		
The Policy action:	IV. Promote the orderly growth and opening up of the financial sector		
Detailed implementation path and status	Interim steps	Deadline	Status
	<p>1. Interest rate liberalization reform. Adhere to the general direction toward an interest rate mechanism decided by market supply and demand, focusing on completing the market rate series and interest rate transmission mechanism, enhancing the macro-management of the central bank and advancing the interest rate liberalization reform.</p> <p>(1) Fully liberalize the lending rate, by removing the floor on lending rates for financial institutions, liberalizing the discount rates, and removing the ceiling on lending rates for rural credit cooperative.</p> <p>(2) Expand the floating band of the RMB deposit interest rates from 1.1 times to 1.5 times of the benchmark</p>	<p>(1)2013</p> <p>(2)2015</p>	<p>(1) Completed on 20th July 2013.</p> <p>(2) Completed on 11th May 2015.</p>

	deposit rate.		
	<p>2. Continue to promote the market-based reform of RMB exchange rate. Adopt the managed floating exchange rate system based on market supply and demand.</p> <p>(1) Further improve the RMB exchange-rate regime to allow market demand and supply to play a greater role, to enhance two-way flexibility of the RMB exchange rate, improve the market mechanism for exchange rate to adjust international balance of payment.</p> <p>(2) Further develop the foreign currency market, with introduction of more foreign currency products, broader and deeper market, to better meet the demand of enterprises and individuals.</p>	Continuous work	<p>(1) On March 15, 2014, the PBC decided to expand the floating band of the exchange rate of the RMB against the US dollar on the inter-bank spot exchange-rate market from 1 percent to 2 percent around central parity.</p> <p>(2) On July 2, 2014, the band on the spread between banks' buying and selling rates against US dollar is removed. To facilitate the bilateral trade and investment, in 2014, RMB's direct trading with the New Zealand Dollar, the British Pound, the Euro, and the Singapore Dollar was launched on the inter-bank foreign exchange market, and the direct trading with the Kazakh Tenge was launched in the regional inter-bank foreign-exchange market.</p>
	<p>3. RMB Capital Account Convertibility.</p> <p>Further transform the foreign exchange management, facilitate overseas investment, and shift the focus from administrative approval to monitoring and analysis, from micro-control to macro-prudential management, from "positive list" to "negative list".</p>	Continuous work	<p>All direct investment related approval requirements will be cancelled in 2015. The pilot projects of foreign funded enterprises' discretionary sale of foreign exchanges from their foreign currency denominated capital were further expanded, completely eliminating the restraints on foreign exchanges under the Foreign Direct Investment.</p> <p>In May 2014, the SAFE has issued the "Rules on Foreign Exchange Administration of Cross-Border Guarantee", replacing the ex-ante approval of all cross-border guarantee related issue with proportional self-discipline and registration.</p> <p>b. In February 2015, pilot programs of macro-prudential management of external debts</p>

			<p>have been launched in Zhongguancun National Innovation Demonstration Zone (core area), Zhangjiagang Bonded Port Area, and Shenzhen-Hong Kong Cooperation on Modern Service Industries in Qianhai Area. Non-financial corporations in pilot areas are allowed to implement proportional self-discipline management based on certain times of net assets when raising external debts.</p>
	<p>4. Gradually facilitate domestic enterprises' extension of credit and financing guarantee in foreign currencies to external counterparts.</p>	<p>Continuous work</p>	<p>In 2014, the State Administration of Foreign Exchange (SAFE) has streamlined administration on cross-border credit, simplifying management of on-lending, external claims of financing and leasing companies, and foreign investors' obtaining domestic non-performing assets, basically removing the ex-ante approval requirement.</p>
	<p>5. Further promote the two-way opening up of capital market, and increase in an orderly way the convertibility of cross-border capital and financial transactions.</p> <p>a. In 2015, further simplified the approval requirement for qualification and quota reallocation for QDII and QFII, expand the scope of the QDII participants, merge QFII and RQFII, establish a clear and uniform system for foreign investors, reduce the barriers to entry, expand the scope of foreign investment and facilitate the</p>	<p>a. 2015 b.N/A</p>	<p>a. In 2014, the operational procedure for RQFII was streamlined, simplifying or cancelling the approval for delayed funds inflow, quota adjustment, etc., to facilitate the institutions with flexible use of quota in accordance with market demands.</p>

	<p>investment.</p> <p>b. Remove the approval requirement for qualification and quota reallocation for QDII and QFII under the mature conditions.</p>		
	<p>6. Build the interconnection between domestic and international stock markets, and relieve gradually restraints on foreign institutions to issue or place RMB bonds in domestic market.</p> <p>a. Interconnection mechanism between domestic and overseas stock market.</p> <p>I. Launch the Shanghai-Hong Kong Stock Connect on a trial basis.</p> <p>II. Research on the Shenzhen-Hong Kong Stock Connect, and improve the Shanghai-Hong Kong Stock Connect.</p> <p>b. Gradually relax the restrictions on foreign institutions' issuance of RMB bonds.</p> <p>I. Implement pilot programs on foreign enterprises' issuance of RMB bonds onshore.</p> <p>II. Normalize the practices of foreign enterprises' issuance of RMB bonds onshore based on the pilot experiences.</p>	<p>a.</p> <p>I. completed</p> <p>II. 2015-</p> <p>b.</p> <p>I. 2015-2017</p> <p>II. 2018-</p>	<p>a. I. The Shanghai-Hong Kong Stock Connect pilot program was launched on November 17, 2014. Since then, the system runs smoothly and orderly, and the transaction, settlement, quota management, foreign exchange purchases are all in good performance. As of the end of April 2015, volume of transactions under the mechanism of Shanghai-Hong Kong Stock Connect totalled 926.8 billion yuan.</p> <p>II. Currently, the China Securities Regulatory Commission (CSRC) is working jointly with other departments to actively push forward the launch of Shenzhen-Hong Kong Stock Connect and to improve the Shanghai-Hong Kong Stock Connect.</p> <p>In September 2013, the CSRC released <i>Policy Measures on Supporting and Facilitating the China (Shanghai) Pilot Free Trade Zone</i>, which clearly stated that overseas parent companies of the enterprises within the Free Trade Zone could issue RMB bonds in the domestic market according to the rules. The CSRC is now actively preparing for the pilot programs on qualified overseas companies to issue RMB bonds in the exchange bond market.</p>
	<p>7. Improve the multi-layer capital market system.</p> <p>(1) Steadily promote record-based stock issuance reform.</p>	<p>(1) N/A</p> <p>(2) continuous work</p>	<p>(1) The first draft for the record-based stock issuance reform has been formulated, and the CSRC is furthering the reform in a steady way.</p>

	<p>(2) Encourage the market-based Merge & Acquisition.</p> <p>(3) Standardize the development of bond market, and provide diversified bond products for varied investor groups.</p> <p>a. Strengthen institutions and infrastructure of corporate bond market.</p> <p>b. Accelerate product innovation and promote interconnection of bond markets. Enlarge the pilot programs for shareholders of listed companies to issue exchangeable corporate bonds; coordinate and push for eligible local government bonds to go public on exchanges; promote listing of policy bank bonds on exchanges.</p> <p>c. Enlarge investor base. Enlarge the scope and depth of commercial banks to participate in the exchange bond market. Coordinate to relax the restrictions on long-term funds from pension funds and housing provident funds, and etc., to invest in exchange bond markets; attract more foreign capital to participate in the exchange bond market.</p> <p>(4) Cultivate private equity market, regulate various private equity investment bunds and promote their development, encourage and guide venture capital funds to support the growth of small and micro</p>	<p>(3) a. 2015-2016 b. 2015-2017 c. 2015-2018</p> <p>(4) a. 2014 b. 2015.12 c. completed</p> <p>(5) continuous work a. continuous work b. 2015</p> <p>(6) a. planned to initiate in 2015 b. N/A</p>	<p>(2) In October 2014, the CSRC issued the amended <i>Administrative Rules on Restructuring the Important Assets of Listed Companies</i>” and <i>Administrative Rules on Merge and Acquisition of Listed Companies</i>”, which include supportive arrangements in the areas such as strengthening information disclosure, promoting ex-ante and ex-post supervision, ensuring due diligence of intermediaries, and protecting rights of investors.</p> <p>(3) The CSRC amended and released <i>Administrative Rules on Securitization of Subsidiaries of Securities Companies and Mutual Fund Companies and Administrative Rules on Issuance and Transactions of Corporate Bonds</i> in November 2014 and January 2015, respectively, further expanding enterprise access to the market financing.</p> <p>In 2014, the CSRC launched innovative products such as short-term financing bills of securities companies, convertible bonds, acquisition bonds, and etc.</p> <p>(4) a. <i>Provisional Rules on Supervision and Management of Private Equity Investment Funds</i> was released on August 21, 2014.</p> <p>b. <i>Provisional Regulations on Private Equity Investment Funds</i> has been already submitted to the State Council, and is now in the review process by the Office of Legislative Affairs of the State Council.</p> <p>c. The CIRC has issued Notice on Investment in Venture Capital Funds by Insurance Funds in December 2014.</p> <p>(5) In 2014, the CSRC established a specialized division to assume the supervisory responsibility on intermediaries. Meanwhile, the CSRC is improving supervisory mechanisms to promote</p>
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	<p>enterprises.</p> <p>a. Formulate <i>Provisional Rules on Supervision and Management of Private Equity Investment Funds.</i></p> <p>b. Formulate <i>Provisional Regulations on Private Equity Investment Funds.</i></p> <p>c. Promote the <i>China Insurance Regulatory Commission (CIRC) Rules on Investment in Venture Capital Funds by Insurance Funds.</i></p> <p>(5) Encourage innovation of intermediaries, broaden market entry, support the growth of professional institutional investors, and encourage dealers of securities and futures to develop cross-border business.</p> <p>a. Continue to improve license management, release business restrictions and broaden access. Going forward, continue to promote innovation by intermediaries, encourage domestic pension funds to invest, and cultivate professional institutional investors.</p> <p>b. Plan to remove approval requirements for securities and futures dealers to establish entities overseas, encourage the development of cross-border business.</p> <p>(6) Promote the healthy development of internet finance.</p> <p>a. Start pilot programs on equity crowd</p>		<p>securities institutions to develop cross-border business. It plans to cancel approval requirements, improve continuous supervisory mechanisms and promote the healthy development of cross-border business.</p> <p>(6)</p> <p>a. A market survey was already completed, and preparation work for equity crowd financing pilot program is underway.</p> <p>b. Research concerning legislative work on equity crowd financing overseas was completed. The CSRC is now actively pushing forward the amendment of the <i>Securities Law.</i></p>
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	financing. b. Add languages on equity crowd financing when amending the <i>Securities Law</i> .		
Impact of Measure	Allow the financial market play a better role in allocating resources and supporting growth of real economy.		
The Policy action:	V. Implement the fiscal and tax reform, to improve economic efficiency		
Detailed implementation path and status	Interim steps	Deadline	Status
	1. Reform and improve the consumption tax system. (1) Improve the reform plan. (2) Consult with the relevant agencies, and further improve the reform plan. (3) Submit the reform plan to the State Council.. (4) Put in implementation.	continuous work	Based on changes in production and consumption structures, the Ministry of Finance and the State Administration of Taxation jointly issued a document in December 2014, which cancelled consumption tax on car tires, alcohol, small displacement motorcycle.
	2. Legislation on the real estate tax. (1) Draft Real Estate Tax Law and its explanation. (2) The National People's Congress (NPC) reviews the draft. (3) Enact and implement Real Estate Tax Law.	It depends on when the National People's Congress draft and review it.	The real estate tax legislation has been officially included in the Twelfth Legislation Plan of the Standing Committee of National People's Congress.
	3. Advance the reform of replacing business tax with VAT.	continuous work	China started the pilot reform to replace business tax with VAT on railway transport and postal industries on January 1, 2014, and the pilot reform on telecommunications industries on June 1, 2014 and then extended the trials on a national scale. China is now pushing through reforms to replace business tax with VAT in construction, real estate, financial, and consumer service industries. Specific reform plan

			will be implemented once approved by the State Council.
	4. Implement a preferential policy of deferred payment of individual income tax to encourage the development of annuity plans in enterprises and public institutions.	completed	The policy has been introduced in December, 2013 and implemented since January 1, 2014.
	5. Further expand the preferential tax policy for small businesses with low profits.	completed	<p>From 2014, the scope of micro and small enterprises that can enjoy 50% tax reduction was expanded from those whose annual taxable income do not exceed 60,000 yuan to those whose taxable income do not exceed 100,000 yuan. In 2015, the coverage of this preferential policy was twice expanded: since January 1st 2015, the 50% tax reduction has been extended to small enterprises whose taxable income do not exceed 200,000 yuan; since October 1st 2015, the preferential policy has been extended to small enterprises whose taxable income do not exceed 300,000 yuan. The deadline for suspending collecting micro and small enterprises' VAT and business tax was extended from "by the end of 2015" to "by the end of 2017".</p> <p>From October 1, 2014 to end-2015, the threshold of temporary suspending of VAT and business tax collection for micro and small enterprises, individually-owned enterprises and other individuals was extended from less than 20 thousand yuan to less than 30 thousand yuan. In 2014, the total amount of tax reduction and exemption for micro and small enterprises and individually-owned enterprises reached 51.1 billion yuan; In Q1, 2015, such amount reached 18.9 billion yuan.</p>

	6. Advance resource tax reform from volume-based collection to ad valorem based collection.	continuous work	Since December 1, 2014, coal resource tax has been levied on ad valorem basis instead of on specific duty basis. Meanwhile, reduce the compensation fee for coal resources to zero, suspend the collection of coal price adjustment fund, cancel the coal sustainable development fund, biological compensation fee for original metal products, coal resource-related local economic development fee, and eliminate the coal-related fees established by the local rule-violating governments below provincial level.
Impact of Measure	Push forward tax reform to facilitate structural adjustment.		
The Policy action:	VI. Promote urbanization to foster investment and employment		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	<p>1. Implement “National Plan for New Urbanization (2014-2020)”.</p> <p>(1) Establish a joint inter-ministerial conference to collectively promote the new urbanization.</p> <p>(2) Issue <i>Opinions on Reform of Hukou System</i>, adjust classification method for cities based on scales, research on residence permit system, and orderly promote people to migrate from rural areas to urban areas.</p> <p>(3) Support the construction of the affordable housing; improve the overall layout of cities and towns, organize and draft plans for trans-provincial city cluster in key areas.</p> <p>(4) Enhance management of cities; strengthen shanty town redevelopment and</p>	continuous work	<p>(4) In 2014, the general public budget, government fund budget, state-owned capital operation budget, etc. have been leveraged at aggregate level to support government-subsidized housing projects. The aggregate real expenditure reached 431.949 billion yuan, an increase of 11.2% yoy. The central government expenditure reached 222.221 billion yuan, an increase of 21.921 billion yuan, to subsidize the urban affordable housing projects, rural dilapidated housing renovation, and nomadic residence projects, with focus on the renovation of all kinds of shanty town. The amount used to subsidize all kinds of shanty town renovation and their supporting infrastructure projects reached 103.7 billion yuan, accounting for 46.7% of total. In 2014, the government funds have supported 7.4 million urban affordable housing projects with 5.11 million completed, and help 2.66 million poor rural families to renovate their dilapidated houses.</p> <p>In 2015, the general national public budget on affordable housing projects is 360.228</p>

	<p>construction of supporting infrastructures. Promote city infrastructure development, encourage innovative ways of investment and financing and strengthen cooperation between government and social entities in investment, and promote construction of green cities, smart cities, and humanistic cities.</p> <p>(5) Start pilot programs on new urbanization, and try to realize innovative breakthroughs in mechanisms in around three years, to draw experiences for the whole country.</p>		<p>billion yuan, 7% higher than last year, and the general public budget expenditure arranged by central government reached 238.424 billion yuan, an increase of 16.203 billion yuan and 7.3% higher than last year. The plan is to build 7.4 million units of affordable houses, including renovating 5.8 million units of shanty houses. The policy will support renovation of 3.66 million units of dilapidated rural houses in 2015.</p>
Impact of Measure	Promote investment, employment and growth through urbanization.		
The Policy action:	VII. Improve the efficiency and quality of investment		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	1. In 2015, investment by central government budget intends to increase to 477.6 billion yuan.	2015	In 2014, investment by central budget reached 457.6 billion yuan, focusing on key areas and weakness spots where resources cannot be effectively allocated by market mechanism, and supporting systemic, fundamental and strategic projects.
	2. Increase investment in railway construction, support the construction of incomplete national expressways, bottleneck sections of ordinary national highways, high-class inland waterways such as Yangtze River, feeder airports for the Central and West	(1)2015	

	<p>and trunkline airports for the West, and promote the coordinated regional development of areas along the “One Belt and One Road” (Silk Road Economic Belt and 21st Century Maritime Silk Road), Beijing-Tianjin-Hebei Region, and the Yangtze River economic belt.</p> <p>(1) In 2015, China will invest over 800 billion yuan in railway construction and open over 8,000 kilometres of new railways to traffic. The government will also work to ensure that drive-through electronic toll collection systems are connected up on expressways throughout the country.</p>		
	<p>3. Establishing a national guidance funds for venture capital to invest in emerging industries, to support the development of emerging industries and address the financing difficulties for the innovative medium and small enterprises.</p>		<p>On January 14, 2015, the State Council decided to use 40 billion yuan to establish national guidance funds for venture capital to invest in emerging industries, to support start-ups, innovation and upgrade in industries.</p>
	<p>4. Speed up the construction of large hydraulic projects of water saving and water supply, particularly the 172 planned large hydraulic projects by steps in 2013, 2014, and the thirteenth five year plan period.</p>	<p>continuous work</p>	<p>In accordance with the 2015 central investment plan of major hydraulic projects approved by the State Council, the general public budget expenditure arranged by Ministry of Finance on hydraulic projects reached 25 billion yuan, which was used for the continuous construction of 172 major hydraulic projects and the construction of other qualified projects, including large schale irrigation projects</p>

			<p>complemented by the supporting water conservancy renovation, pilot water-saving irrigation demonstration projects, newly built irrigation areas, water diversion projects, water pollution governance projects, etc.. The Ministry of Finance, the National Development Reform Committee and the Ministry of Water Resources have jointly released the <i>Notice of 2015 Central Investment Fund Plan for Major Hydraulic Projects</i>.</p>
	<p>5. Resolving production overcapacity through market mechanism. Digest, transfer, integrate and eliminate excess production capacity, as well as gradually introduce long-term solution. Strengthen entry standards of energy-saving, land-saving, water-saving, environment, technology and security.</p>	<p>continuous work</p>	<p>In 2014, 15 key industries including steel and cement achieved their yearly target of shutting down outdated production facilities as scheduled.</p>
Impact of Measure	<p>Increase efficiency and quality of investment to foster the efficiency and quality of growth.</p>		
• The Policy action:	<p>VIII. Reduce barriers to trade</p>		
<p>Detailed implementation path and status</p>	<p>Interim Steps for Implementation</p>	<p>Deadline</p>	<p>Status</p>
	<p>1. Adjust tariff rates of certain goods, further streamline non-tariff measures, continue to streamline the procedure of customs clearance, Improve the coordination mechanism of custom clearance between inland, coastal and border areas.</p>	<p>continuous work</p>	<p>Since January 1, 2014, China has implemented provisional tax rates on over 700 kinds of imported commodities including advanced technology and equipment, key parts, and energy raw materials. Those provisional tax rates are lower than the MFN rates with an average concession of 60%. We'll continue to implement this measure in 2015.</p> <p>The reform of regional integration of customs clearance has been launched in the whole customs system, forming five interconnected integration areas, e.g. Beijing, Tianjin and Hebei,</p>

			Yantze River Economic Belt, Pan Zhujiang River Four Provinces, Silk Road Economic Belt, and Northeast Region.
Impact of Measure	Reduce barriers to trade and promote growth of trade and economy.		
• The Policy action:	IX. Participate actively in “post-Bali” negotiations of the WTO Doha Round and accelerate the FTA talks		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	1. Proactively participate in the WTO Doha Round negotiations, and faithfully implement the Bali Package1.	ongoing work	China has made important contribution to promoting WTO negotiation, including signing WTO Trade Facilitation Agreement.
	2. While recognizing the multilateral trade system as the main channel, accelerate applying the free trade areas (FTA) strategy with the focus on neighbouring countries and regions. Speed up FTA talks with the Republic of Korea, Australia and the Gulf Cooperation Council. In the ongoing and future FTA talks, adopt an open attitude towards issues such as environmental protection and e-commerce. Expedite the formation of high-standard free trade zone networks opening to the whole world. (1) Work hard to try to sign the Sino- Korean FTA Agreement. (2) Work hard to try to sign the Sino-Australian FTA Agreement. (3) Accelerate talks with the Gulf Cooperation Council.	(1) First half of 2015 (2) First half of 2015 (3) N/A	(1) The free trade agreement was officially signed. China and Korea are now carrying out their respective domestic procedures. (2) The free trade agreement was officially signed. China and Australia are now carrying out their respective domestic procedures. (3) In negotiation.
Impact of Measure	Facilitate multilateral, bilateral trade to boost global economic growth.		

The Policy action:	X. Boost employment by improving public services, ALMPs, tax policies and vocational training		
Detailed implementation path and status	Interim Steps for Implementation	Deadline	Status
	<p>1. Boost employment by tax reform.</p> <p>(1) Extend the maturity of tax policies that support and promote start-up and employment.</p> <p>(2) Adjust the scope of sectors and people to enjoy relevant preferential policies.</p> <p>(3) Raise the upper limits of tax deductible, and expand the scope of tax deduction to more taxes.</p> <p>(4) Simplify procedures for preferential tax policies</p>	Completed	<p>(1) From January 1, 2014 to December 31, 2016, the tax incentives included in the <i>Ministry of Finance and State Administration of Taxation Notice on the Support and Promotion of Employment-related Tax Policy</i> continues to be implemented, and relevant policies are improved to further intensify support;</p> <p>(2) Adjust the range of staff that enjoys tax policies related to enterprises absorbing employment, all unemployed persons who have registered in the public employment service agencies for more than one year can enjoy the tax benefits; Cancel the industrial restriction on tax benefits;</p> <p>(3) Expand the scope of tax deduction, local additional education tax is subject to tax deduction; improve the deduction ceiling for self-employed or enterprises that absorb employment. In addition to national fixed tax deduction, the local government is also allowed to give more tax breaks than in the past;</p> <p>(4) Simplify procedures, preferential tax policies will be managed by filing for record instead of review and approval.</p>
	<p>2. Boost employment by improving public services, ALMPs, and vocational training.</p> <p>(1) Introduce the plan to facilitate employment of unemployed graduates and guiding strategy of college graduates to start new businesses, aimed at enhancing</p>	<p>(1) a. N/A b. Continuous work</p>	<p>(1) a. Within half year, most of graduates being not employed after graduation have found jobs or participated in the preparation activities for employment, including the internship and training by the plan of facilitating employment. The number of graduates starting new businesses has rapidly increased through the guiding strategy of college graduates to start new</p>

	<p>their working and initiating skills and exploring multiple approaches to find the job or start new businesses.</p> <p>a. Provide specific employment services for unemployed graduates. Guide local governments to establish and improve the implementation program and make concrete arrangements for the implementation.</p> <p>b. Include the unemployed graduates who intend to be employed into the scope of vocational training.</p>		<p>businesses.</p> <p>b. At the national level, 877 thousand college graduates participated the vocational training in 2014, with 390 thousand for working skills training and 487 thousand for starting businesses training.</p>
	<p>(2)Ensure that at least one member in every zero-employment families and families with minimum living security be employed.</p> <p>Guide local governments to make household surveys, aiming at taking stock of the basic developments of employment families and establishing real name accounts for services. For the elders and the weakly skilled, the non-profit public services shall be the main channel for their employment; for the skilled ones, tax exemption and social insurance subsidies shall be applied to encourage companies to hire; for the entrepreneurial ones, starting businesses training shall be arranged for them while providing with preferential policies</p>		<p>(2)Provide targeted employment services, including employment training and vocational matching for the zero-employment families, with timely and regular follow-up visits. Taking into account the different circumstances of the zero-employment families, conduct categorical assistances. Implement assistance policies and encourage people to find jobs on their own and get self-employed, and ensure stable employment by timely recording and supporting the newly unemployed families.</p> <p>Intensify the specific public employment services, and guide orderly rural migrant labor forces to find jobs in urban areas, promoting the free rural labor forces flow and encourage migrant workers to return home and starting their businesses there.</p>

	<p>including small loans and tax exemption. Establish and improve the equalized employment system in urban and rural areas, and proceed the work model combining training, servicing and rights safeguarding for migrant workers. A series of services shall be provided for the ones with start-up initiatives, including policy consultancy, project preparation, start-up guidance and follow-up tutoring; and tax exemption, mini collateralized loans and social insurance subsidies shall be implemented.</p>		
	<p>(3)Conduct training on practical skill for migrant workers and urban residents who have difficulties finding jobs. Encourage enterprises to appropriately use the education and training spending for employees, and spend more on the skill training for workers at the production line.</p> <p>a. Provide opportunities of vocational training for the laborers who require for employment and training, and conduct multiple vocational training.</p> <p>b.Encourage and guide enterprises to appropriately use the education and training spending for employees, and spend mainly on the skill training for workers at the production line.</p>	<p>(3) Continuous work</p>	<p>(3)a. 19.35 million people have been trained with the support of governmental subsidies, among them, 3.39 million are registered urban unemployed and 1.019 thousand are migrant workers.</p>

	<p>(4)Improve equalized public employment services in urban and rural areas, providing more standardized, professional services.</p> <p>Guide the local governments to intensify and improve the construction of public employment services system, further improve the nationwide united unemployment registration system, promote the quality and efficiency of public employment services.</p>	<p>(4) Continuous work</p>	<p>(4)At the end of 2014, the public employment services agencies were set up nationwide above county level. Service windows were open in more than 40 thousand urban communities and villages, with the coverage of 98% of total urban communities and 95% of villages. 94% of communities and 75% of villages have recruited full-time or part-time staff, providing free advice of employment policies, legal consultation, job vacancies information, reference of market wage, and vocational training information, vocational tutoring and recommendations, aiming at helping those having difficulties finding jobs to get back to work, and registering the employment and unemployment.</p>
Impact of Measure	Promote employment and growth.		

OTHER BRISBANE COMMITMENTS

(Only those having concrete progress being presented in this section)

I. Transformation of Economic Growth Pattern

• Policy action	Build good consumption environment
Implementation path and expected date of implementation	<p>(1) Strengthen market regulation by securing market discipline. First, refrain from regional blockades and trade monopolies. Second, intensify the supervision on law enforcement and promote equal competition. Third, enhance industrial regulation, and increase the level of security for consumption. Fourth, further credit construction, and nurture integrity and credibility environment.</p> <p>(2) Standardize the development of e-commerce.</p>
Status and influence	<p>(1) The integration of markets has achieved partial progress. A series of instructions preventing equal competition have been collectively streamlined. 476 regulatory documents and rules referring to regional blockades have been revised, abolished or declared void. 128 cases of abuse of power to limit competition have been investigated.</p> <p>Efforts have been made in promoting information sharing on enforcement supervision among sectors, supporting joint inspection and enforcement among relevant authorities at municipal and county level, strengthening the law-enforcement forces and establishing the call centre to file complaints. Regulatory campaign on TV shopping was particularly successful, with an 83.9% decline of illicit TV advertisements. Supervision on retailers and suppliers has been strengthened, and the “Administrative Rules on Fair Trade of Retailers and Suppliers (Draft)” was formulated. Have researched and amended “Administrative Rules on Single-Purpose Prepaid Commercial Cards”. The regulation of Prepaid Commercial Cards was strengthened and the amendment to “Administrative Rules on Single-Purpose Prepaid Commercial Cards” was under consideration.</p> <p>A public relation campaign to promote food safety has been launched in the logistical industry nationwide. A tracing back system was being constructed, and regulation on drugs sales and direct selling has been consolidated, and the safety was enhanced. With further efforts of establishing tracing system for key products, pilot programs on meat, vegetables, and Chinese medicine have been launched in 75 regions, benefiting over 400 million people, and over 300 products with total volume of over 30 thousand tonnes are traceable in a computerized way.</p> <p>The overall framework of a credit system in commerce has been completed, aimed at developing a mechanism to share administrative information, a comprehensive evaluation system on credibility and a credit rating system by third parties. The “Data Interface and Standards for Commercial Enterprises to Connect to Enterprise Credit Information Data Base” has been drafted, and the construction of the Enterprise Credit Information Platform has been launched. Selected pilot regions were encouraged to establish information service centres with different specific features. The event of “The Month of integrity for prosperity” was organized to further build the integrity and credibility in the business community.</p> <p>(2) The Financial Committee of National People’s Congress (NPC) is now advancing the drafting of “E-Commerce Law”. According to its schedule, the drafting shall be completed by the end of 2015 and, after</p>

	extensive consultation with relevant authorities, will be submitted to NPC for approval in 2016. The Ministry of Commerce has formulated the “Provisional Rules on Procedures of Formulating Third-Party Platform Transaction Rules for Internet Retail Sales”, to ensure concerning parties’ participation in the formulation and amendment of transaction rules, prevent the platform enterprises from abusing the market control and safeguard healthy development of the industry.
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II、Fiscal and Tax Institution Reform

• Policy action	Implement a comprehensive government financial reporting system
Implementation path and expected date of implementation	China will establish government accounting standards system and government financial reporting system, and prepare government financial report on accrual basis in order to reflect the government financial status and implementation of budgets in a clear and comprehensive way, and provide support for conducting government credit rating, improving government performance supervision and assessment as well as preventing fiscal risks, to promote financial management and sustainable development of finance and economy.
Status and influence	On December 12, 2014, the State Council endorsed and forwarded the <i>Ministry of Finance Notice on Reform Program of Comprehensive Government Financial Reporting System on Accrual Basis</i> , which helps clarify the guiding ideology, overall objectives, basic principles, major tasks, specific contents, supporting measures, implementation steps and the organization of the reform. At present, the Ministry of Finance is carrying out related work in accordance with the reform program.
• Policy action	Launch a trial program allowing local governments to issue bonds and repay debt on their own
Implementation path and expected date of implementation	A trial program has been launched in 2014, which allows the local governments to participate in the program to issue bonds and repay debt by themselves under the precondition that the State Council controls the volume and durations of such bonds. In 2015, all bonds issued by provinces, autonomous regions and municipalities directly under the central government (including separate planning cities that are approved by the provincial government to self-issue bonds) will be issued and repaid by themselves.
Status and influence	In 2014, trial programs were implemented in Shanghai, Zhejiang, Guangdong, Shenzhen, Jiangsu, Shandong, Beijing, Jiangxi, Ningxia, and Qingdao. The work in 2015 is now underway.

• Policy action	Improve budgeting and operations of state owned assets, raise the ratio of profits turned over to public budget, to more secure and improve social welfare.
Implementation path and expected date of implementation	By 2020, the turning-over ratio of profits from state owned assets will be gradually increased to 30%; The transferring ratio of state owned assets to the general public budget will be gradually increased to 30%.
Status and influence	Ongoing

III. Financial Sector Reform

• Policy action	Macro-prudential policy
Implementation path and expected date of implementation	Formulate the identification criteria and evaluation framework of domestic systematically important financial institutions, intensify the regulation requirement, and establish orderly resolution and settlement arrangement. Proceed with the creation of crisis management group in ICBC and Ping An Group, and establish a risk based solvency system.
Status and influence	The establishment of crisis management groups has been completed in BOC, ICBC and Ping An Group, and in good progress in ABC. The annually updated Recovery and Resolution Plans (RRP) of the BOC and ICBC have been discussed and endorsed by respective crisis management groups, while Ping An Group has just completed the RRP. From the February of 2015, risk based solvency system in China has been launched on a trial basis, and the timing of the fully-fledged operation will be determined depending on the progress of the trials.

IV. Trade

• Policy action	Innovating the processing trade pattern
Implementation path and expected date of implementation	According to the central government's requirement of stabilizing growth, adjusting economic structures and transforming growth pattern, products that are energy-intensive and heavy-polluting and pose high regulatory risks during the production process should be added to the banned list of processing trade products; and products that meet energy-conserving and environmental-friendly standards and at the same time have high technical content and added value should be removed from the banned list. Based on the above principles, the Ministry of Commerce revised and amended the banned list of processing trade products, and the list became effective since January 1 st 2015.
Status and influence	The two policies above have come into effect since January 1, 2015. The rest of relevant policies will be decided and announced in a timely manner, depending on domestic economic development and industry development.
• Policy action	Accelerate the development of trade in services and service outsourcing
Implementation path and expected date of implementation	Increase the share of service sector in the economy, stabilize exports of traditional services, increase exports of emerging services and promote the development of service outsourcing.
Status and influence	In December 2014 and February 2015, the State Council issued “Opinions on Speeding up the Development of Service Outsourcing Industry” and “Opinions on Speeding up the Development of Service Trade”, providing an overall plan for promoting the service trade and service outsourcing in the coming years.

PRE-BRISBANE COMMITMENTS

Fiscal policy (structural) /2. Improve structural tax reduction combining tax institution reform, and promote structural adjustment of economy.	
structural reform Saint Petersburg Action Plan	
Rationale for carrying forward	Promoting the economic restructuring by adjusting the fiscal and tax policies.
Update on Progress	<p>Approved by the State Council, Ministry of Finance, State Administration of Taxation and Ministry of Industry and Information Technology jointly announced in August 2014 that new energy vehicles complying with relevant regulations are exempted from vehicle purchase tax within time period from Sep.1, 2014 to Dec. 31, 2017.</p> <p>In accordance with the requirement to include energy intensive and high-polluting products and some luxury goods in the collection of consumption tax, eliminate some taxable consumer products that are popularly consumed and no longer suitable for consumption tax from the list. To adapt to the development of the production and consumption, small-displacement motorcycles, auto tires and ethanol have been exempted from consumption tax since December 1, 2014.</p>
Fiscal policy(structural)/ 3. Optimize the structure of budgetary expenditures to ensure and improve people's living standards	
structural reform Saint Petersburg Action Plan	
Rationale for carrying forward	Optimizing the structure of budgetary expenditures
Update on Progress	<p>a. Increase educational expenditure. The central government spent 410.19 bn yuan in 2014, up 8.2% from a year earlier.</p> <p>b. Increase health care, social security and other welfare expenditure. The central government's expenditure on health care and social security/employment reached 293.126 bn yuan and 706.609 bn yuan respectively, increased by 11% and 8.5% than 2013.</p> <p>c. Reinforce fiscal support on agriculture, rural areas and farmers. The central government's expenditure on agriculture, forestry and fisheries was 647.422 bn yuan in 2014, an increase of 8.4%.</p>
Fiscal policy (structural)/4. Accelerating transformation of economic development patterns and improving the quality and efficiency of economic development	
—Support the basic and frontier technology researches and promote technical innovation. Support the development of strategic emerging industries and modern service sectors. Promote energy conservation and emissions reduction, and accelerate the development of new energy, renewable energy, clean energy and circular economy.	
structural reform Saint Petersburg Action Plan	
Rationale for carrying forward	Supporting innovation, upgrading and transformation of industries, help to save energy, protect environment and enhance the quality and sustainability of the growth.
Update on Progress	<p>The central government's expenditure on science and technology reached 254.182 bn yuan in 2014, an increase of 8.2%.</p> <p>Promote reform and development on education, science and culture.</p> <p>a. Advance science and technology sector reform. Promoting reforms on transforming government management on science and technology, reconstructing</p>

	<p>science and technology planning system, clustering nation's major tasks, innovating implementation method, and improving the transparency of management and supervision.</p> <p>b. Support the development of science and technology. Further increase the input to science and technology.</p> <p>The public finance expenditure on science and technology was 525.386 bn yuan, increased by 3.4%, including 254.182bn yuan from central government, 3.4% higher than 2013.</p> <p>In 2014, China's energy intensity was cut by 4.8% year on year, a record high since the twelfth "Five-Year Plan". During the year, emission of Chemical Oxygen Demand, nitrogen and ammonia, sulphur dioxide, and oxynitride was cut by more than 2.47%, 2.9%, 3.4%, 6.7%, respectively, and the emission reduction targets for 2014 were achieved.</p>
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Monetary Policy/1. Continue to implement a sound monetary policy.
—guide the money credit to increase at an even and appropriate level, maintain the stability of monetary environment and inflation, and promote a sustainable and healthy economy.

Monetary policy	Saint Petersburg Action Plan
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Rationale for carrying forward	To provide a stable monetary environment for sustainable and healthy economy.
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Update on Progress	In 2014, M2 grew by 12.2 percent year on year, RMB new lending reached 9.78 trillion yuan, and all-system financing aggregates totalled 16.46 trillion yuan. GDP grew by 7.4 percent year on year, while CPI rose by 2.0 percent.
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Monetary policy/5. Broaden the use of RMB in cross-border trade and investment activities. (mid-long term)
—support more enterprises for the use of RMB in cross-border trade and investment activities, explore RMB business for individuals, and facilitate cross-border RMB flow through individuals.
—continue to promote the openness of capital and monetary market reform, gradually lower the threshold for cross-border equity investment, gradually allow qualified foreign institutions to list and issue on Shanghai Stock Exchange, and gradually allow individuals to invest in foreign equities.

Foreign exchange policy	Saint Petersburg action plan
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Rationale for carrying forward	Facilitate the cross-border trade and investment to further the opening-up of capital markets
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Update on Progress	<p>Effective September of 2014, overseas non financial enterprises are allowed to issue RMB debt financing instrument on domestic Inter-bank bond market according to relevant rules, and transfer the raised fund to overseas. They are also allowed to use offshore RMB funds to pay interests and repay the principal.</p> <p>Based on the successful operation of RMB settlement banks in Hong Kong, Macau, Taiwan and Singapore, the practice is extending from neighboring regions to broader horizon, including Europe. Since 2014, RMB settlement bank system has been established in London, Frankfurt, Seoul, Paris, Luxemburg, Doha, Sydney, Toronto, Kuala Lumpur, and Bangkok.</p> <p>In 2014, the turnover of RMB settlement under current account amounted to 6.55 trillion yuan, up 41.6 percent year on year.</p>
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Financial sector reform	
—deepen the financial institution reform, optimize the modern financial institution system, and strengthen the internal governance and risk management.	
structural reform	Saint Petersburg Action Plan
Rationale for carrying forward	Enhance financial sector’s competitiveness, risk management, and strengthen its capacity in allocating resource and serving the real economy.
Update on Progress	<p>Continued to deepen the large commercial banks reform, improve corporate governance, increase the capacity of independent pricing and risk management, and strengthen their international competitiveness. The Agricultural Bank of China’s reform of setting up the rural finance unit has been gradually implemented nationwide and increasingly reinforced its financial support to the agricultural industry, the rural areas, and the farmers. The reform schemes of the China Development Bank, the Export-Import Bank of China and the Agricultural Development Bank were approved, enhancing their roles in providing development financing and policy financing and reinforcing financial support to key economic areas and weakness spots. The market-based transformation of assets management companies has been further advanced. The China Cinda Asset Management Co., LTD has been successfully listed. China Huarong Asset Management Co., LTD was officially launched and started introducing strategic investors. The People’s Insurance Company (Group) of China Limited and the CITIC Group have both been listed on Hong Kong Stock Exchange.</p> <p>Deepened the governance system reform of banking sectors. The key to the modernization of banks’ governance is to improve their governance structure, business management, risk management and regulation. Following the approval of reform schemes of policy banks and the China Development Bank by the State of Council, CBRC is working on the regulation rules of the three banks. The China Development Bank has established its housing financing unit, which has been officially put in operation.</p> <p>Intensified comprehensive risk management of securities industry, strengthened monitoring and mitigation of liquidity risk and started the amendment of risk control indicators. In February of 2014, the China Securities Association issued the <i>Guidance on Comprehensive Risk Management of Securities Companies</i>, and <i>Guidance on Liquidity Risk Management of Securities Companies</i>.,.</p> <p>Strengthened the regulation and enforcement. A targeted investigation was launched in the asset management business, covering securities companies, fund management companies and their subsidiaries, to reaffirm the regulation requirements.</p> <p>Enhanced the futures firms’ compliance of risk control management, optimized the net capital based risk supervision indicators system for futures dealers, and supported differentiated development of fund management companies and diversification of the business mode and structure. Started the reform of mixed-ownership and improved the governance. Several private equity investment entities were approved to establish fund management firms, and professionals were allowed to set up or hold shares of the fund management firms.</p>

Financial sectors reform—create a counter-cyclical macro-prudential management framework	
Monetary policy Saint Petersburg action plan	
Rationale for carrying forward	Promote the soundness of the financial system.
Update on Progress	<p>A deposit insurance scheme was implemented, facilitating market exit of financial institutions.</p> <p>Together with relevant authorities, the CBRC is drafting the <i>Guidance on Assessment of Systematic Importance and Capital Requirement of Commercial Banks (Provisional)</i> and the <i>Guidance on Countercyclical Capital Requirement of Commercial Banks (Provisional)</i>, which will be issued at an appropriate time. In January of 2015, , the <i>Administrative Rules on Leverage Ratio of Commercial Banks</i> was released and effective on April 1, 2015.</p>
Financial sectors reform—strengthen financial regulation and improve financial regulation coordinating mechanism.	
Monetary policy Saint Petersburg action plan	
Rationale for carrying forward	Promote the soundness of financial system.
Update on Progress	<p>1. Since the establishment of the Joint Ministerial Financial Regulatory Coordination Conference, member departments have set up the institutional and working mechanism in accordance with the obligations, tasks and requirements set by the State Council, jointly strengthened studies on key issues of financial sectors. The Coordination Conference convened 8 times and discussed 35 topics, facilitating the formulation and construction of a series of policy and institutional arrangements.</p> <p>First, discuss and implement measures to further deepen the financial reforms, promoting sharing of financial information and development of financial statistics, clarifying the mandates of financial regulation and risk resolution between the central and local governments, advancing the innovative pilot programs on opening financial sector at Shanghai pilot free trade zone, continuing to enlarge the two-way opening of financial industry.</p> <p>Second, strengthen the coordination and cooperation between macro-economic management and financial regulation, enabling financial sector to better serve the real economy. Supporting measures were taken to resume and intensify the financing role of the stock market. Inter-bank business and wealth management were standardized, lowering the cost of social financing. The improvement of the institutional arrangement for IPOs was discussed. Efforts were made to standardize the public release of substantial policies on capital market, coordinate the development and the regulation of debt market and facilitated the healthy development of capital market.</p> <p>Third, discuss the prevention of financial risks of key sectors to secure financial stability. Measures on solving debt risk of local governments have been considered, with strengthened efforts to accelerate the resolution of financial risk events in some regions, and properly resolved the default risk on debt and trust products. The informal financing were standardized and policy actions to mitigate the rise of NPL in the banking sector are discussed.</p> <p>Fourth, timely clarify the regulation principles on cross-market financial innovation to promote the healthy development of new financial businesses. Policy actions were taken to facilitate healthy development of Internet financing and strengthen the management of money market funds and investment linked insurance products. The standardization of the asset management sector was</p>

	<p>discussed, and relevant policies on futures market were coordinated.</p> <p>2. Regulatory cooperation and coordinating resolution of illegal financing activities. Efforts were made to promote the financing guarantee companies to operate properly to eliminate the potential risks of the banking sector. The provisional rules on Internet Lending is being drafted to promoting the healthy development of Internet lending and better serve the small and micro companies, innovative companies and meet the individuals' demand for investment and financing.</p> <p>3. Intensify regulation in key areas, including the borrowing by local government financing platforms, the implementation of real estate credit policy, the prevention and solution of overcapacity risk, the prevention of risks of shadow banking, liquidity risk, and IT risk. Further streamline the administration and delegate more power to lower-level governments, reform the banking regulatory framework and revised administrative rules on Chinese commercial banks, small and medium rural financial institutions, foreign banks, non-bank Financial Institutions, trust companies, to reduce approval requirements, optimized the approval procedurals and shorten the approval chain. Policies were considered to further open up the banking sector, and reform the banking regulatory system at Shanghai pilot free trade zone.</p> <p>4. Promote the innovation of financial markets, further deepening the reform on pricing mechanism, fund uses, market entry/exit and the risk based insolvency capacity regulation.</p> <p>5. Intensify the regulation on systematically important financial institutions. Crisis management group has been organized on Ping An Group, one of global systematically important insurance institutions, followed by studies on liquidity risk management and resolution and regulatory framework of globally active insurance group and G-SII.</p>
<p>Employment: create an extra 45 million urban jobs and keep the registered urban unemployment under 5% for the period between 2011 and 2015.</p>	
<p>structural reform Saint Petersburg Action Plan</p>	
<p>Rationale for carrying forward</p>	<p>Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.</p>
<p>Update on Progress</p>	<p>The overall employment indicators were stable. In 2014, 13.22 million new jobs were created in the urban areas, up 120 thousand year on year, implying the job creation target of the year was completed by 132.2%. At the year end, registered urban unemployment rate was 4.09%, up 0.04 percentage point year on year. From January to September 2015, new jobs created in the urban areas were 10.66 million, a decline of 160 thousand year on year. By the end of the third quarter of 2015, registered urban unemployment rate was 4.05%, a drop of 0.04 percent points from the end of last year, and 0.02 percentage points year on year. From 2011 to September 2015, 61.85 million new jobs were created in the urban areas, overshooting the target set in the 12th Five-Year Plan.</p>
<p>Structural Reform—Income: per capita disposable income of urban residents and per capita net income of rural residents increase by an average annual rate of over 7% in real terms.</p>	
<p>Structural Reform Saint Petersburg Action Plan</p>	
<p>Rationale for carrying forward</p>	<p>Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.</p>
<p>Update on Progress</p>	<p>In 2014, disposable income per capita increased by 8% in real terms nationwide, marking a 6.8% growth for urban residents' per capita disposable income and a 9.2% growth for rural residents' per capital net income. Income growth of rural</p>

	residents has outpaced that of urban residents for five consecutive years, and the gap between urban and rural income is narrowing.
Structural Reform	
– Social security : Increase the proportion of medical spending covered by medical insurance fund to over 70%; extend the new rural pension policy to universal coverage, and improve pension scheme for urban workers and residents; make low-income housing available to around 20% of the country's urban households.	
Structural Reform	Saint Petersburg Action Plan
Rationale for carrying forward	Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.
Update on Progress	<p>1. Social insurance benefits level has been raised steadily. The basic pension adjustment for the retired employees of the enterprises has been implemented, which will lead to an average increase of 10% in 2014. Chinese government decided to merge the new rural pension insurance and urban pension insurance, and establish a unified basic pension insurance system for rural and urban residents nationwide. At the moment, the central government and provincial governments at all levels have issued operational documents for establishing the unified basic pension insurance system for rural and urban residents, and achieve "four unification" on the name of the system, standards of policy, service ability and information system upon integration. From 1st July 2014, the minimum monthly basic pension benefits for rural and urban residents raised from 55 yuan to 70 yuan per person. 27 provincial governments nationwide, including Xinjiang Production and Construction Corp, increased the standard of basic pension benefits, and the average monthly basic pension benefits for rural and urban residents is over 100 yuan per person, in which the basic pension benefits paid by government is over 90 yuan.</p> <p>2. Research on the improvement on the serious illness insurance schemes for urban and rural residents, and promote the medical payment across different regions. Under the employees' basic medical insurance, 82.1% of hospitalization expenses are already covered by the pooling fund, and the ratio is 70.9% for the urban and rural residents' basic medical insurance. Budget subsidy per capita from all levels of governments for basic medical insurance for rural and urban residents rose to 320 yuan in 2014, while raising the individuals' contribution accordingly. The operation, management and service have been improved. A plan of encourage participation and registration by all residents has been launched, progress has been made in the 50 pilot regions nationwide. The payment method of the medical insurance is being reformed, with a steady increase of social security. By the end of 2014, the number of actual holders of social security card has risen to 740 million.</p>
Urbanization: urbanization ratio rises by 4 percentage points.	
structural reform	Saint Petersburg Action Plan
Rationale for carrying forward	Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.
Update on Progress	The Twelfth Five-Year Plan on National Economic and Social Development raised the aim to increase urbanization ratio by 4 percentage points compared to 2011. The urbanization ratio was 49.5% in end-2010, and rose by 5.27 percentage points to 54.77% at end of 2014, accomplishing the 4 percentage points target ahead of the schedule.

Service sector: accelerate development of the service sector, and raise its value-added contribution to GDP by 4 percentage points.	
structural reform Saint Petersburg Action Plan	
Rationale for carrying forward	Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.
Update on Progress	In 2014, service sector's contribution to the GDP growth has risen to 48.2%.
Increase spending on R&D to 2.2% of GDP.	
structural reform Saint Petersburg Action Plan	
Rationale for carrying forward	Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.
Update on Progress	In 2014, the R&D spending has exceeded 2% of the GDP.
Promote a basically balanced BOP account.	
structural reform Saint Petersburg Action Plan	
Rationale for carrying forward	Transform the economic development pattern, promote economic restructuring and boost domestic demand to make development more balanced and sustainable.
Update on Progress	<p>The two-way capital flows of direct investment turns out more balanced. In 2014, foreign direct investment to non-financial sectors totalled 119.56 billion USD, up 1.7% yoy. Non-financial outward direct investment reached 107.2 billion USD, up 15.6% from 2013.</p> <p>In May 2015, the State Council approved overall plans for pilot Free Trade Zones in Guangdong, Tianjin, Fujian, and further reforms on Free Trade Zones in Shanghai.</p> <p>Local governments have developed specific measures to implement the <i>State Council Guidance on Stabilizing Growth of Foreign Trade and Promoting Imports</i>, released in 2014. Temporary lower tariffs are applied to over 700 imported goods, and zero tariff policy continues to be applied for imports of 97% of items from the least developed countries that have diplomatic relations with China. China continues to work on FTA talks and FTA tariff reductions; launch trade facilitation programs, simplify import procedures, launch the pilot program for imported goods to pass through customs with automatic paperless approvals; send trade and investment promotion delegations to a large number of countries and host exhibitions and fora to promote imports.</p> <p>Preliminary estimates show that the goods and service trade balance in 2014 was 2.1% of GDP, within the appropriate range by international standard.</p>