

Excerpts of the 13th Five Year Plan
for Economic and Social Development of
the People's Republic of China

THE 13TH FIVE-YEAR PLAN
FOR ECONOMIC AND SOCIAL DEVELOPMENT OF
THE PEOPLE'S REPUBLIC OF CHINA
(2016-2020)

Central Compilation & Translation Press

modern corporate structures and corporate governance. We will see that SOEs implement systems for employing management professionals and improve their differentiated salary systems and incentives for innovation. We will move more quickly to relieve SOEs of their traditional obligations to perform social functions and resolve other longstanding issues. We will also channel energy into reforming and developing state farms on reclaimed land.

Section 2

The Management System for State-Owned Assets

We will tighten oversight over state-owned assets, focusing particularly on state capital, increase returns on state capital, and guard against the loss of state-owned assets. We will establish state capital investment and management companies through reorganization, allocate and utilize state capital more efficiently, and create effective platforms for its flow, reorganization, and structural redistribution. We will improve mechanisms for ensuring the rational flow of state capital, make strategic adjustments to its distribution, and encourage more state capital investment in industries and sectors vital to national security and the economy. We will establish lists of the regulatory powers and obligations of state-asset investors, make steady progress in bringing state-owned productive assets under unified oversight and supervision, and establish a budgetary management system for state capital operations across multiple levels covering all SOEs. Audits of all SOE state capital and of the performance of the economic responsibilities of all SOE leaders will be conducted.

Section 3

A Mixed-Ownership Economy

We will support cross-ownership holdings and integration between state-owned, collective, non-public, and other types of capital. We will carry out reforms to diversify the shareholders of public sector enterprises. We will take steady steps in encouraging SOEs to develop mixed ownership and will begin the piloting and demonstration of reforms to introduce mixed ownership. We will involve non-state capital in the reform

of SOEs and encourage the development of mixed-ownership enterprises in which the non-public sector holds a controlling share. We will encourage diverse forms of state capital participation in non-state-owned enterprises.

Section 4

Support for the Non-Public Sector

We will better stimulate the dynamism and creativity of the non- public sector by ensuring it enjoys equal rights and opportunities and is subject to equal regulations. We will abolish all unreasonable regulations within the non-public sector, remove all hidden barriers to its development, and ensure that it has equal access to factors of production, participates in market competition on an equal footing, receives equal legal protection, and performs its social responsibilities alongside other sectors. We will encourage private enterprises to enter more sectors in accordance with the law.

Chapter 12 Establish a Modern Property Rights System

We will improve the modern system of property rights, ensuring clear ownership, well-defined rights and obligations, strict protection, and smooth transactions. We will increase the level of rule of law in the protection of property rights and protect the rights and interests of entities under all forms of ownership in accordance with the law. We will define the property rights of enterprises in accordance with the law and regulations, safeguard the right to profit from state capital investments as well as the decision-making rights of enterprises, and improve the property rights trading system for state-owned assets, ensuring that rules, processes, and outcomes are transparent. We will improve the functions of rural collective property rights and complete, in all rural areas nationwide, the determination, registration, and certification of contracted land rights, rural home land rights, rural housing property rights, and rights for collectively owned land designated for construction. We will improve methods for verifying membership of collective economic organizations and for realizing the ownership rights of the assets of collective entities, allowing the productive assets of collective economic organizations to be converted into shares and allotted to

individual members. We will ensure that transfers of rural property rights are carried out in accordance with regulations, and will improve decision-making procedures for the disposition of the assets of rural collective organizations. We will implement an integrated registration system for immovable property across the board. We will accelerate the establishment of a property rights system for natural resource assets, determine the holders of such rights, and make innovations in the ways in which such rights can be realized.

We will protect the rights and interests of owners of natural resource assets and ensure that returns generated from these assets are shared fairly. We will deepen reform of the mining rights system. We will establish sound systems and platforms for trading rights and interests related to ecological conservation and environmental protection. We will enforce a stringent regime for the protection of intellectual property rights, improve the system of ownership of intellectual property rights to better incentivize innovation, and develop a trading and service platform for intellectual property rights, so as to turn China into a country strong on intellectual property rights.

Chapter 13 Improve the Modern Market System

We will accelerate the development of a unified and open market system that ensures orderly competition, establish mechanisms for ensuring fair competition, overcome regional segmentation, break up industry monopolies, and remove market barriers in order to promote the free and orderly flow and equitable exchange of goods and factors of production.

Section 1

The Market for Factors of Production

We will work faster to establish a unified rural-urban market for land designated for construction purposes. On the basis that land is developed in accordance with state plans, used in compliance with the regulatory framework, and secured in accordance with the law, we will ensure that rural collectively owned land designated for business-related construction enters the market on an equal footing with and is subject to the

same rights and prices as similarly designated state-owned land. We will improve the system for requisitioning collectively owned land, narrow the scope of land requisition, establish standard requisition procedures, and improve mechanisms for safeguarding the rights and interests of those whose land is requisitioned. We will launch trials to make rural land for private housing eligible for use as collateral to secure financing, to allow for appropriate transfers of such land, and to allow such land to be given up voluntarily for compensation. We will improve systems for the market-based allocation of land designated for industrial purposes. We will coordinate human resource markets as a whole and implement an equal employment system. We will step up the development of technology exchange platforms, improve regulations concerning technology trading markets, and encourage the development of technology intermediary service organizations.

Section 2

Reform of Pricing Mechanisms

We will reduce government intervention in pricing, lift all price controls over goods and services in competitive industries, and lift price controls over competitive areas within the power, petroleum, natural gas, transportation, and telecommunications industries. We will improve medical service pricing. We will improve water pricing mechanisms. We will improve tiered pricing for household electricity consumption and introduce, across the board, tiered pricing for household water and natural gas consumption. We will refine the mechanisms for determining commodity price-linked subsidies. We will establish a sound mechanism for coordinating government investment and price adjustments for public utilities and public-benefit services. We will ensure that pricing complies with standardized procedures, that cost oversight and review are strengthened, and that costs are more transparent.

Section 3

Fair Competition

Giving play to the leading role of economic reform, we will achieve a proper balance in the relationship between government and market, make breakthroughs in the reform of key areas, and create new systems and mechanisms conducive to guiding the new normal in economic development.

Chapter 11 Uphold and Improve China's Basic Economic System

We will ensure that public ownership is dominant and that economic entities under diverse forms of ownership develop side by side. We will remain dedicated to strengthening and developing the public sector of the economy while also encouraging, supporting, and guiding the development of the non-public sector. We will exercise oversight over economic entities under all forms of ownership in accordance with the law.

Section 1

Reform of State-Owned Enterprises

We will remain firmly committed to ensuring that state-owned enterprises (SOEs) grow stronger, better, and bigger and work to see that a number of such enterprises develop their capacity for innovation and become internationally competitive, thereby injecting greater life into the state-owned sector, helping it exercise a greater level of influence and control over the economy, increasing its resilience against risk, and enabling it to contribute more effectively to accomplishing national strategic objectives. The main aims of commercial SOEs will be to vitalize the state-owned sector, improve the efficacy of state capital, and maintain or increase the value of state-owned assets. To achieve these aims, they should engage in lawful and autonomous production and business operations under the principle of the survival of the fittest. The main aims of public-benefit SOEs will be to ensure people's wellbeing, serve society, and provide public goods and services. To achieve these aims, they should give greater play to market forces, introduce market mechanisms, and improve their assessments of cost control, product and service quality, performance, and capacity. We will move faster to ensure that SOEs introduce corporate and shareholding systems and improve their