

Proceeding from the fundamental interests of the Chinese nation, we will promote the practice of "one country, two systems" and the great cause of the motherland's peaceful reunification, deepen the economic and trade cooperation between hinterland and Hong Kong and Macau, promote the development of economic relations between the two sides of the Strait, and make joint efforts to realize the great invigoration of the Chinese nation.

#### Chapter Fifty Seven: Maintain Long-Term Prosperity and Stability in Hong Kong and Macau

We will unwaveringly implement the high degree of autonomous principle of "one country, two systems," of "Hong Kongers administering Hong Kong," and of "Macau people ruling Macao," strictly manage things according to the basic laws of the special administrative zones, and fully support the chief executives and governments of the special administrative zones to administer their areas according to the law. We support Hong Kong and Macau to continuously give play to their important roles in the nation's overall development.

##### 1. Support Hong Kong and Macau to Consolidate and Increase Their Competitive Advantages

We will continue to support Hong Kong's development of financial, navigation, freight forwarding, tourism, specialized service, information, and other high value added service sector; support Hong Kong's development into an offshore RMB center and an international asset management center; and support Hong Kong's development into a high-value goods inventory management and regional distribution center. There is a need to consolidate and raise Hong Kong's international financial, trade, navigation center status, and increase its global impact as a financial center. We support Macau's construction of a world tourism and leisure center, and acceleration of the establishment of a commercial and trade cooperation and service platform between China and Portuguese-speaking countries.

##### 2. Support Hong Kong's and Macau's Fostering of Emerging Sectors

We support Hong Kong's and Macau's efforts to increase industrial innovation capabilities, accelerate the fostering of new economic growth points, and promote coordinated economic and social development. We support Hong Kong's development of its advantageous sectors in environmental protection, medical service, educational service, inspection and certification, sci-tech innovation, and cultural innovation areas, expansion of cooperation areas and service scope. We support Macau's efforts to appropriately diversify its economy, accelerate leisure and tourism development, convention and exhibition, Chinese traditional medicines, educational service, cultural innovation, and other sectors.

##### 3. Deepen Economic Cooperation Between Hinterland and Hong Kong and Macau

We will enhance the exchanges and cooperation between hinterland and Hong Kong and Macau, and continue to implement even closer economic and trade arrangements. There is a need to deepen the cooperation between Guangdong, Hong Kong, and Macau, implement the cooperation framework agreements between Guangdong and Hong Kong, between Guangdong and Macau, promote the common development of regional economy, and create world-class city groups with even more comprehensive competitiveness. We support the building of a financial cooperation zone with Hong Kong's financial system as the head, and the Zhujiang Delta city financial resources and service as the support; the establishment of a world's advanced manufacturing and modern service base; the construction of a modern freight forwarding economic circle; Guangdong's path-finding and pioneering role in opening up its service sector to Hong Kong and Macau and the gradual expansion of the path-finding and pioneering measures to other regions. There will be accelerating the pace of jointly building a Guangdong, Hong Kong, and Macau quality life circle. We will enhance planning and coordination, and perfect the transportation system between the Zhujiang Delta region and Hong Kong and Macau. There will be enhancement of the exchanges and cooperation between hinterland and Hong Kong and Macao in cultural, educational, and in other areas.

#### Chapter Fifty Eight: Promote Cross-Strait Relations Peaceful Development and Great Cause of Motherland's Reunification

We will persist in the "peaceful reunification and one country, two system" principle and the eight-point call on developing the current stage of cross-Strait relations and on promoting the process of the motherland's peaceful reunification, in comprehensively implementing and promoting the important thinking and the six-point opinions on the peaceful development of cross-Strait relations; firmly grasp the main theme of the peaceful development of cross-Strait relations; and oppose and deter the "Taiwan independence" splittist activities. We will consolidate the political, economic, and cultural foundations of the development of cross-Strait relations; comprehensively deepen cross-Strait economic cooperation; strive to enhance the exchanges in cultural, educational, tourism, and in other areas between the two sides of the Strait; positively expand the exchanges between the various circles of the two sides of the Strait; promote the mechanism construction of the exchanges between the two sides of the Strait in a sustained manner, and establish a

framework for the peaceful development of cross-Strait relations.

### 1. Establish a Sound Economic Cooperation Mechanism Between the Two Sides of the Strait

We will actively implement the cross-Strait Economic Cooperation Framework Agreement and other agreements between the two sides of the Strait, promote the follow-up consultations on commodity trade, service trade, investment and economic cooperation, promote the further liberalization of cross-Strait commodity and service trades, gradually establish a fair, transparent, convenient investment and protection mechanism, and build a sound economic cooperation mechanism with cross-Strait characteristics.

### 2. Comprehensively Deepen Cross-Strait Economic Cooperation

We will expand cross-Strait trade, promote two-direction investment, enhance the cooperation in modern service trade including emerging industrial and finance sector, and promote the establishment of a cross-Strait currency settlement mechanism. There will be definition of cross-Strait industrial cooperation setup and key areas, and carrying out major project cooperation between the two sides. It is necessary to promote the cooperation of small and medium-sized enterprises between the two sides of the Strait, and increase the competitiveness of small and medium-sized enterprises. We will enhance the cooperation between the two sides of the Strait in intellectual property rights protection, trade promotion, trade convenience, customs, electronic commerce, and in other areas. We will actively support the transformation and upgrading of Taiwan-funded enterprises on the mainland. We will protect the legitimate rights and interests of Taiwan compatriots according to the law.

### 3. Support Western Taiwan Strait Economic Zone Building

We will give full play to the path-finding and pioneering role of the Western Taiwan Strait Economic Zone in promoting cross-Strait exchanges and cooperation, strive to establish a frontier platform for cross-Strait exchanges and cooperation, build a close cross-Strait economic and trade cooperation area, a major base for cross-Strait cultural exchanges, and an overall hub for cross-Strait direct exchanges. We will give play to Fujian's unique advantage in exchange with Taiwan; raise the functions of the Taiwan businessmen investment zones; promote industry's in-depth connection; accelerate the opening up and development of the Pingtan Comprehensive Experimental Zone; and promote the building of the Xiamen cross-Strait regional financial service center. We will support the economic development of other areas where Taiwan businessmen has massive investment.

## Section Fifteen: Military-Civilian Harmony and Enhance National Defense and Army's Modernization Building

With an eye on the overall situation of the state security and the development strategy, we will coordinate the economic construction and defense building, and realize the unity of making the country rich and the army strong in the process of the building of a well-off society in an all round manner.

### Chapter Fifty Nine: Enhance National Defense and Army's Modernization Building

We will comprehensively enhance the army's revolutionization, modernization, and regularization building by persisting in making Mao Zedong's military thinking, Deng Xiaoping's army building thinking in the new period, Jiang Zemin's thinking on national defense and army building as our guide, in making the scientific development concept as an important guiding principle for defense and army building, in aiming to fulfill the army's historical mission in the new century and in the new stage, in over-viewing the military strategy and principles in the new period, in making the promotion of defense and army building and scientific development as the main theme, and in accelerating the transformation of the formation model of combat strength as the main line.

We will enhance the army's ideological and political building; persist in the basic principle and system of the Party's absolute leadership over the army; persist in the fundamental purpose of the people's army; greatly carry forward the excellent tradition of following the command of the party, of serving the people, and of being brave and of good at fighting; and nurture the core value concept of the contemporary revolutionary army men. We will further expand and deepen the preparations for military struggle, and by making the raising of the information system-based system operation capabilities as the basic focus point, deepen the promotion of the transformation in military training. We need to persist in relying on science and technology to make the army strong, strengthen defense scientific research and weapons and equipment building, accelerate the pace of comprehensive building of a modern logistics system, step up the training of the new type of high-quality military talents, and raise the capability of accomplishing diverse military tasks with the ability to win regional wars under information-based conditions as the core. There is a need to persist in managing the army according to the law and in strictly managing the army; enhance scientific management; actively and steadily promote defense and army reforms; optimize leadership management structure; perfect joint operation

command system, and promote innovation in military theory, military technology, military organization, and military management. It is necessary to build a modernized armed police force, and increase the capabilities of duty performance, of handling sudden outbreak of events, of anti-terrorism, and of maintaining stability. We will strengthen the reserve force building, and consolidate the unity between the military and the government, between the military and the people.

#### Chapter Sixty: Promote Military-Civilian Harmonious Development

We will persist in the principle of making the state as the main guidance, of system innovation, of market operation, and of the integration between the army and the people. There will be coordinated economic and defense construction. We will fully rely on and make use of non-government resources to raise the defense strength and military capabilities, greatly promote the opening and sharing of military and local resources, and the mutual transfer of dual use technologies, and gradually establish an army-civilian harmonious type development system with Chinese characteristics that is adapted to the laws of socialist market economy and that can meet the requirements for winning regional wars under the information-based conditions.

We will establish and perfect the weapons and equipment scientific research and production system marked by military-civilian integration and by the military's cooperation with the civilian sectors, the military talent training system, and the military logistics system. We will build an advanced defense science and technology industry; optimize structure; strengthen the core capabilities with informatization as the guide and with advanced research, development, and manufacturing as the foundation; accelerate the breaking of the basic bottle neck that constrains scientific research and production; and promote the indigenous development of weapons and equipment. There is a need to improve the weapons and equipment procurement system. It is necessary to improve the army's talent recruitment and perfect the policies and systems of direct recruitment of various talents from localities. We need to perfect the settlement policies for army veterans, and enhance the training and employment arrangement work for army veterans. There will be steady promotion of the socialized reforms of army logistics with the main emphasis on providing daily life protection, general material reservation, and equipment maintenance. We will bring about a management system for army's staff members that is adapted to the state's regulations and systems on personnel, labor, and social protection. We will establish a military-civilian integrated military goods distribution system and a strategic injection force system that integrates the military and localities.

We insist that economic construction implement defense requirements. We will intensify infrastructure construction and the degree of the in-depth integration and sharing between the military and civilians, in maritime, aviation, space, information, and in other key areas. There will be perfection of policy mechanism, standards, and norms, and promotion of the coordinated development and virtuous interaction between economic construction and defense building. It is necessary to enhance defense concept among the people; perfect the national defense mobilization structure; enhance the people's armed forces, national economic mobilization, the people's air defense, the traffic combat readiness building and defense education; and strengthen the capabilities of defense mobilization of providing services in peace time, of responding to emergencies, and of preparing to fight during war time.

#### Section Sixteen: Enhance Implementation and Realize Magnificent Development Blueprint

This program, having been reviewed and approved by the National People's Congress, has legal effect. We need to rely on the efforts of all the people in the nation and gather the wisdom of all the people in the nation to realize the magnificent development blueprint for the next five years.

#### Chapter Sixty One: Perfect Program Implementation and Assessment and Evaluation Mechanism

To promote the smooth implementation of the program, there is a need to mainly rely on giving play to the basic role of market resources allocation. Governments at all levels should correctly fulfill responsibilities, rationally allocate public resources, guide and regulate and control social resources, and ensure the fulfillment of the program's objectives and tasks.

##### 1. Define Program's Implementation Responsibilities

There is a need to mainly rely on the autonomous behavior of the principal part of the market to realize anticipated targets, industrial development, and structural readjustments and other tasks as proposed in the program. Various levels of governments should, through the perfection of market mechanism and the interest-oriented mechanism, create an excellent policy environment, system environment, and rule-by-law system; break market segmentation and trade monopoly; stimulate the initiative and creativeness of the principal part of market; and guide the consistency between the behavior of the principal part of the market and the state's strategic intentions.

The constraining targets and the tasks in the sphere of public services as defined in this program constitute the commitments made by the government to the masses. Targets of constraining nature as defined in the program should be implemented in relevant departments, provinces, autonomous regions, and municipalities. There is a need to promote the task of the provision of equal basic public services and define the work responsibilities and progress. This mainly requires the government to exert full effort by utilizing public resources.

## 2. Enhance Policy Coordination

Surrounding the targets and tasks as put forward in the program, we will enhance the overall planning and coordination of economic and social development policies, and pay attention to the linkup and coordination between policy targets and policy instruments, between short-term policies and long-term policies. In line with the principle of public finances subordinating to and serving public services, we will optimize financial expenditure structure and government investment structure; gradually increase the central government's investment scale; establish central government's investment scale formation mechanism that is compatible with the program's tasks; stress investment in people's livelihood, social undertakings, agriculture, rural areas, sci-tech innovation, ecology, environment protection, resources conservation, and in other areas; and invest more funds in central and western regions, in old revolutionary areas, in areas inhabited by ethnic minority groups, in border regions, and in impoverished areas.

## 3. Implement Comprehensive Evaluations and Checks

There is a need to accelerate the formulation and perfection of a performance-based assessment and evaluation system and of concrete assessment and evaluation methods that favor the promotion of scientific development and the acceleration of the transformation of the economic development model; weaken the assessment and evaluation on the speed of the economic growth; enhance the comprehensive assessment and evaluation on the situation of the fulfillment of targets in structural optimization, of the improvement of the people's livelihood, of resources conservation, of environmental protection, of basic public services, and of social management areas. The results of the assessment and evaluation should be made an important basis for the readjustment of various levels of government leading bodies, for the selection and promotion of leading cadres, and for rewards and for meting out punishments.

## 4. Enhance Program's Supervision and Evaluation

It is necessary to perfect the supervision and evaluation system, enhance the supervision and evaluation capability building, enhance the statistical work on service trade, energy-conservation and emissions reduction, climate change, labor and employment, income distribution, real estate and on others and strengthen the follow-up and analysis of the implementation of the program. Relevant departments of the State Council should enhance the evaluation on the implementation of the program's relevant spheres, and accept the supervision and inspection by the National People's Congress and its standing committee. The program's competent departments should evaluate the progress of the fulfillment of constraining targets and of major anticipated targets, submit annual reports on the progress of the implementation of the program to the State Council, and release the reports to the general public in an appropriate way. At the medium stage of the implementation of the program, the State Council will organize and carry out a comprehensive evaluation, and will submit the medium stage evaluation report to the standing committee of the National People's Congress for examination. If there is a need to readjust the program, the State Council should put forward a readjustment plan and submit it to the National People's Congress Standing Committee for approval.

## Chapter Sixty Two: Enhance Program Coordination and Management

We will promote the program's structural reform, accelerate the program's legal system building, and with the overall program for national economic and social development as the lead, with the major function oriented zones as the basis, and with special projects, national land planning and land utilization planning, regional planning, city planning as the support, form a planning system with clear definition of various planning, functional complementary, and with unified linkage; perfect the scientific, democratic, and standardized formulation process; and work out a sound implementation mechanism with clear responsibilities, classified implementation, and effective supervision.

Relevant departments of the State Council should organize the compilation of a number of state-level special project planning, key special project planning in particular, and provide details on the implementation of the major tasks as set forth in the program. When formulating the key state-level special plans, we need to, by surrounding the key areas of economic and social development and weak links, give emphasis on resolving prominent issues and form a key support for implementing this program.

When drawing up local plans, there is a need to seriously implement the state's strategic intentions, integrate with local

realities, and give prominence to local characteristics. It is necessary to do a good job in the coordination between local planning and the development strategies, major targets, and key tasks as proposed in the program, particularly on the issue of enhancing linkup with constraining targets.

It is necessary to enhance the linkup between annual plans with this program. There is a need to set annual targets for major targets and fully realize the development targets and key tasks as proposed in the program. There is a need for the preparers of the annual planning reports to analyze the progress of the implementation of this program, in particular the progress of the fulfillment of the constraining targets.

The people of all nationalities in the country should rally closely around the CPC Central Committee with Comrade Hu Jintao as general secretary, hold high the great banner of socialism with Chinese characteristics, emancipate the mind, seek truth from facts, advance with the times, blaze new trails in a pioneering spirit, and struggle for the realization of the 12th five-year program for national economic and social development and of the building of a well-off society in an all-round manner!

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