

Premier Li: Unleash productivity through thorough reforms

China is prioritizing reforms to bring better economic vitality and higher living standards for its people.

The State Council's executive meeting on Wednesday came with an outline for specific plans for this year's economic reform, short-listing areas that require focused reform. The meeting was presided over by Premier Li Keqiang.

"Chinese economy is fundamentally motivated by the country's reform efforts," Li said. "To deliver results we have projected for the year, it is still down to how well we carry on with reforms."

He pointed out that reforms will inevitably touch the cheese of vested interest, and joint efforts are called from all government departments.

Efforts in deepening economic reform will be carried out in several aspects in 2017.

Improvements were urged in areas such as cutting overcapacity, destocking, deleveraging, reducing corporate costs and shoring up weak links through using force of the market and law-based measures, aiming for a more effective economic growth with high quality.

Efforts in transforming government functions and streamlining administration will continue with stricter and more comprehensive regulation, creating a more inviting business environment for the real economy.

Innovation and entrepreneurship will be further encouraged with an incentive mechanism. The government will also come out with wider and more effective regulation on private property protection.

Fiscal and tax reform as well as reform in state owned enterprises (SOEs) were also urged. The country will also enhance reform measures on furthering opening up, environmental protection as well as the agricultural supply-side structural reform.

The new guideline also suggested inviting private capital participation in social welfare, including medical care, education reform, and social organizations.

"The government needs to focus on key reform steps that catches greater traction. This is similar to clenching our fist firmly when holding something vital," Li pointed out.

"The key to reform is to unleash the hitherto pent-up productivity," Li added. "Our job is to make big businesses stronger, small businesses more vibrant, through means firmly adhered to market principles and the rule of law. Given greater latitude for their own initiatives, all businesses, big or

small, will work together to invigorate the Chinese economy.”