Beijing's 11th Five-Year Plan: Outline

Written by Steve

Wednesday, 29 March 2006

The following translation of Beijing's 11th Five-Year Plan was provided by the Beijing Association of Enterprises with Foreign Investment . Printed in BeijingLives.com

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Beijing's 11th Five-Year Plan: Preface Written by Steve Wednesday, 29 March 2006 Preface

The Eleventh Five-Year Program period, from 2006 to 2010, is a key period in which Beijing will seize the strategically important opportunity of development during the first two decades of the 21st century, and by doing so realize the concept of "New Beijing, Great Olympics." This period is a juncture that inherits the past and ushers in the future in the municipality's modernization process. The Beijing Outline of the Eleventh Five-Year Program for National Economy and Social Development is the first five-year program after the Central Committee of the Communist Party of China (CPC) put forward the concept of scientific development and the major strategic theory of building a harmonious society. It is also the first five-year program worked out after the State Council replied to the Beijing Master Plan (2004-2020), an important plan for the capital to build a comprehensive affluent society. The Eleventh Five-Year Program brings forward the strategic targets, focus and policy orientation of the economic and social development of Beijing during the five-year period, reflecting the guidelines and decision intention of the Beijing municipal committee and government. The Program is an important basis for government departments at all levels to perform their duties, to draft annual implementation plans and to make various policies and measures in accordance with the law. Moreover, the Program serves as a call to action for all people of Beijing to work together for progress.

The Eleventh Five-Year Program is formulated around the following three documents: (1) Proposal of the CPC Central Committee for the Formulation of the Eleventh Five-Year Program for National Economy and Social Development; (2) Proposal of the CPC Beijing Committee for the Formulation of the Eleventh Five-Year Program for National Economy and Social Development; (3) Reply of the State Council to the Beijing Master Plan (2004-2020).

Column ?: The function of development planning in the modern market economic system

By development planning, we mean mid- and long-term strategic planning and detailed arrangements for the national economic and social development by the government in terms of time and space. It is an important reference for the government to play its role in economic adjustment, market supervision, social governance and public services. It is generally recognized that development planning is equipped with such basic functions as information, coordinating policies and effectively distributing public resources. Since the Eleventh Five-Year Program, the state has changed the mid- and long-term development "plans" into "planning," reflecting a significant transformation in China's economic system, development concepts and government functions.

Beijing's 11th Five-Year Plan: Part 1, Section 1 Written by Steve Tuesday, 28 March 2006 Part One Planning Background

I. Sound Foundation

In February 2001, Beijing Outline of the Tenth Five-Year Plan for National Economy and Social Development was reviewed and approved at the 4th session of the 11th Beijing Municipal People's Congress. Five years since then, under the leadership of the Central Committee and the State Council, the whole municipality have followed the guidance of Deng Xiaoping Theory and the Three Represents and conscientiously implemented the concept of scientific development, centering upon the strategic blueprint of "New Beijing, Great Olympics," institutional innovation, restructuring, environment optimization and comprehensive development. As a result, the major objectives and missions have been successfully accomplished for the Tenth Five-Year Plan.

New heights in economic developments: Average GDP growth rate registers 11.8 percent-; per capita GDP by permanent residents exceeds 5000 USD; economic structure is further optimized; the service industry becomes modernized, appearance of new and high-tech industry, modern manufacturing and agriculture witness a marked progress with the characteristics of capital functions; the proportion of the tertiary industry climbs up to 67.7 percent; economic growth is improved in terms of quality and efficiency; average annual growth of local financial revenues is more than 25.1 percent; and total energy consumption per 10,000 yuan (about US\$1,250) GDP sees an average decline of 5.1 percent.

New progress in social development: Science and technology are booming; R&D expenditure of the whole municipality accounts for about 23.1 percent of the GDP; scientific and technological progress is making more and more contributions to economic growth; the education system is becoming mature, with 90 percent of the school age population in high school and 53 percent in higher education; the public cultural service is developing steadily, supported by the completion of a series of public cultural facilities of great influences; the public health system and integrated mechanism for disaster relief and emergency have been perfected gradually after the victory over SARS; the Olympic Games preparations continue successfully; and nation-wide fitness activities are becoming more popular with participation in competitive sports rising.

New patterns in urban development: Construction has been accelerated on Zhongguancun Science Park, the CBD, the Economy & Technology Development Zone of Beijing and other key functional areas, as important carriers for upgrading capital service functions, attracting high-end industrial conglomeration and expanding economic volume; efforts have been redoubled to coordinate urban-rural and regional development; and suburban infrastructure improvement has been sped up. The urban master plan has been completed and the guiding opinions for district and county function definitions and evaluation indicators have been formulated and implemented. A development pattern is taking shape with diversified features for districts and counties.

There has been an upgrade in the service capability. Accumulated investment in urban infrastructure has amounted to 220 billion yuan (about US\$27.5 billion), up 59 percent compared with the Ninth Five-Year Plan period. Such major projects as the Fifth-Ring Road, Lianhuachi West Road and Metro Line 13 have been completed. The urban railway traffic mileage has risen to 114 kilometres. Ecological preservation has achieved remarkable improvements, with an urban forest coverage of 50.5 percent.

Air pollution control has made obvious progress, as the proportion of days with a second-grade air quality or above is almost 15 percentage points higher than five years ago. Improvements have also been made in natural gas and thermal supply, and sewage and garbage processing.

There have been new breakthroughs in reforms and opening up. Major progress has been made in administration system reforms, infrastructure financing system reforms, state-owned assets supervisory system and SOE reforms, rural tax and fee reforms, and urban management systems. Various new forms of management have been exercised, such as franchising, construction contractor management and public hearing. New breakthroughs have been made in opening up to the rest of the world, an accumulated US\$12.1 billion of foreign capital having been utilized. The environment for development is constantly improving.

In reaching new levels of living standards, the active employment policy has been implemented to keep the urban registered unemployment rate at a low level; a multi-layer social security system has been initially established; the per capita disposable income of urban dwellers and the per capita net income of farmers has increased on average by 10.2 percent annually; the proportion of service consumption has substantially risen, such as education, tourism and fitness, leading to a faster upgrade in consumption structure; and people are heading towards an affluent life.

The completion of the Tenth Five-Year Plan marks a new span in the capital's development and lays solid foundations for realizing the strategic concept of "New Beijing, Great Olympics" and modernization. Facing the future, we are already standing at a great new height.

Beijing's 11th Five-Year Plan: Part 1, Section 2 Written by Steve Tuesday, 28 March 2006 II. Development Trends

New trends are emerging in the domestic and international environment as well as in municipal development in the coming five years.

The capital economy is entering a new phase of development. Per capita GDP has surpassed US\$5,000 and continues to grow; consumption and industrial structures are continuously upgraded, providing strong impetus for sustained and rapid development of the capital economy; the key to sustained and rapid development lies in the transformation of the growth mode; and emphasis is being placed on the expansion of total economic volume, structure optimization and synchronized upgrading of development quality and efficiency.

People's lives are richer and more prosperous. With the improvement of material life and the transformation of development concepts, urban and rural residents are demanding more diversified and differentiated consumption; major trends show a better quality of life and the sharing of development opportunities and accomplishments; social fairness is receiving more attention, alongside production and life issues of disadvantaged groups while promoting general social welfare.

Scientific and technological progress accelerates industrial upgrading. The new technological revolution is gradually changing traditional economic situations and extending the industrial chain; industrial boundaries cross with each other; value-added parts of the chain and profit distribution have experienced shifts; industries are gradually integrated with each other; innovation becomes the dominant factor that determines the competitive edge, therefore, special attention should be given to indigenous innovation capacity and high-end industries while promoting the general industrial optimization and upgrading.

Market opening speeds up the formation of a new pattern of development. With the development of the market economy and further opening up, domestic and foreign economies have more contact and interdependence. Cooperation and win-win on the basis of market competition is becoming a new tendency. Institutional environment has become the crucial factor that determines the element flow and development vitality. It is necessary to maintain traditional advantages and give more attention to optimize the development environment and regional economic cooperation with institutional innovation at its core.

Urban development enters the crucial period of strategic adjustment. The general direction and functional zoning framework of the capital has been determined, and the city service functions and basic strength have been preliminarily prepared. The key now is to foster an effective guidance mechanism to promote the shift in strategic focus towards urban development. It is necessary to focus more on service function extension and resource allocation optimization while improving the general service level.

Social structure continues to undergo intensive transformation. The scale of population flow across regions is on the rise; interests of different groups are getting more diversified; information technologies are catalyzing profound changes in people's values and behavior; the public awareness of participation is continuously strengthened. The key is to set up an effective mechanism of discovery, response and participation to keep social stability and enhance social harmony. It is necessary to focus more on interest balance and coordination while maintaining and promoting general interests.

Beijing's 11th Five-Year Plan: Part 1, Section 3 Written by Steve Tuesday, 28 March 2006 III. Historic Opportunities

As the capital, Beijing has the unique advantage of strong intellectual power, advanced science, technology and education, rich cultural resources, dense information resources and enormous market potentials, etc. These advantages will help future development through the following elements.

The 2008 Olympics will be held in Beijing. This provides Beijing with a stage to display the charms of China and Beijing, and their relevant business opportunities to the whole world. The Games will advance the economic and social development of Beijing, develop its urban management, promote

all-dimensional, multi-level and broad-caliber exchanges and cooperation between Beijing and the rest of the world, and strengthen the international status and influences of Beijing.

The planning of the metropolitan region covering Beijing, Tianjin and Hebei Province has been outlined and implemented. This will promote the strategic adjustment of the national pattern of regional development and lead to a larger range of production factor flows in the metropolitan region and rational allocation of resources. This will also further expand the market and industrial space, give a better play to the capital's comparative advantages, advance industrial transformation and the adjustment of urban layouts and alleviate population, resources and environmental pressures.

The country has implemented the strategy of indigenous innovation. This creates new opportunities for Beijing to make full use of its advantages, enhance the innovative service capacity oriented to the whole nation, and develop high-end, highly efficient and highly radiating industries.

International industrial shift has been accelerated. With the deepening of economic globalization, especially high-tech industries and the modern service industry, Beijing has a better opportunity to undertake an international industrial shift, develop a headquarters economy, participate in international competition and upgrade urbanization and comprehensive competitiveness on a higher level.

Beijing's 11th Five-Year Plan: Part 1, Section 4 Written by Steve Tuesday, 28 March 2006 ?. Main Challenges

During the Eleventh Five-Year Program period, the municipal development is also constrained and challenged by some unfavorable factors. We should attach great importance to and properly handle the factors.

The conflict between population explosion and resource restriction is exacerbated. Beijing has serious lack of natural resources, whose per capita water resources is only 1/8 of the national average and land less than 1/5 of the average. Energy supply, which mainly relies on imports, is also stringent. In recent years, resource bottlenecks are getting more outstanding, with the rapid expansion of permanent residents.

The growth mode does not fit development requirements. The economic growth is still mainly investment-driven, rather than science, technology and consumption driven. The growth mode is not highly intensive, with low utilization of resources. The energy and water consumption per 10,000 yuan (about US\$1,250) of GDP and land taking are far above that of cities in developed countries.

Urban-rural and regional developments are not coordinated. The issues of farmer, agriculture and rural areas are still urgent; the population and functions in downtown areas are excessively concentrated; places of historic interest need to be further protected; there are great disparities in infrastructure and

social public service between Beijing and the surrounding areas, between downtown and suburban areas, between the plain and mountainous areas and between the south and north of the municipality.

There is still a long way to go in ecological quality. Restricted by the natural ecological conditions and rapid development in the northern cities, fundamental improvement in air quality and water treatment is extremely difficult. What is most serious is the dirty and messy environment in the rural areas surrounding the municipality, especially in the urban-rural fringe.

The institutional mechanism is not consistent with the concept of scientific development. The government reforms and functional transformation are relatively lagging behind; social reforms are sluggish, there are also problems of low efficiency of SOEs, weak development of small and medium-sized enterprises, and in the non-public sector there is an immature market regulatory system in accordance with the socialist market economy and a defective environment for development.

The capacity to maintain social stability and urban security needs improving. Despite profound changes in social structure and organizations, interest diversification and greater public awareness of rights safeguarding and political participation, social governance structure is not ready for the changes. Emergent and uncertain factors of urban security have increased, posing new challenges for the administration and response capability of government departments at all levels.

During the Eleventh Five-Year Program period, the capital faces an environment where opportunities coexist with and outweigh challenges, and which is generally favorable for social and economic development. The awareness of opportunity and hardship should be strengthened to properly handle various challenges, to focus on economic development with undivided attention and to realize faster and better development of the capital economy.

Beijing's 11th Five-Year Plan: Part 2, Section 1 Written by Steve Tuesday, 28 March 2006 Part Two. Guiding Principles and Development Targets

I. Guiding Principles

During the Eleventh Five-Year Program period, the whole municipality should follow the guidance of Deng Xiaoping Theory and the important thoughts of Three Represents, fully implement the concept of scientific development to guide the overall socio-economic development. Beijing should seize the great chance of 2008 Olympic Games, fully implement the State Council's reply to the Beijing Master Plan and strive to adopt a path of scientific development featuring a strong economy, rich life and sound ecology. We will make efforts to realize the strategic concept of "New Beijing, Great Olympics" and to build an exemplary area characterized by socialist harmony. The following aspects need our attention in the development process:

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- (I). We should adhere to the development strategy for the capital economy and maintain steady and rapid development. Efforts should be made to develop high-end, highly efficient and highly radiating industries, to perfect the mechanism for implementing the concept of scientific development; to tap, integrate and utilize the advantage resources; to give full play to the market in resource allocation; to optimize the development environment and to realize rapid and sound development of the capital economy. It is also important to address bottlenecks in development, to speed up the transformation of the economic growth mode, to reduce energy consumption, to promote a recycling economy, to accelerate the building of energy-saving and environmentally friendly society and to achieve sustainable development.
- (II). We should adhere to a functional definition of the national capital, an international city, a famous cultural city and a livable city, aiming to improve city building and management. In accordance with the State Council's reply to the Beijing Master Plan, we should conscientiously perform the duties of "four services;" to raise the service level; to strengthen infrastructure construction and operation management; to perfect the integrated traffic system, energy supply system and water security system, advance pollution controls and ecological preservation; and to improve the living environment and bolster the city's capacity for disaster prevention and relief and emergency management. Efforts should also be made to improve the city town system, to straighten up the relationship between the protection of the historic and cultural city alongside modernization, to enhance city service functions, to upgrade the city's capacity and to build Beijing into a livable and modern international city with a developed economy, a prosperous culture, a harmonious society and a sound ecology.
- (III). We should adhere to innovation, aiming to build an innovation-driven city. Following the strategies of national rejuvenation through science and education as well as talent, we strive to strengthen the indigenous innovation capacity as the strategic base point for development and the linchpin for industrial restructuring and transformation of the growth mode. We will vigorously implement the innovation strategy by playing the demonstrative role of the Zhongguancun Science Park and utilizing the innovation resources of multinational R&D centres and institutes of scientific research and higher learning, etc. We will establish and improve a technological innovation system with enterprises, market orientation and a combination of production, study and research as major players. Moreover, we will try to create an environment for institution, technology, management and indigenous innovation, for the purpose of enhancing the capital's indigenous innovation capacity and to make a contribution to the strategic objective that China will be one of the top innovation-driven countries by 2020.
- (IV). We should adhere to the principle of overall planning and all-round consideration, trying to promote urban-rural and regional coordination. In accordance with the requirements of the city master plan and the function definition of districts and counties, we should intensify categorized guidance, improve industrial layout, help the districts and counties to play out their respective advantages and achieve diversified development. What's more, we should work to build a mechanism for urban-rural complementation, regional coordination and development planned as a whole, advance the building of new socialist rural areas and accelerate urbanization and the modernization process, especially in major new towns. The municipality will actively participate in pushing forward the economic cooperation in the metropolitan region covering Beijing, Tianjin and Hebei Province for coordinated regional development.

- (V). We should adhere to the integration of economy, politics, culture and social building to create the best area of harmonious society. It is important to enhance social building and management and promote innovation in the management system. We should aggressively advance the public service system that covers both urban and rural areas, providing fully-fledged functions and rational layout. Moreover, such practical issues such as employment, medical care, schooling, housing, security and other issues closely related to people's interests should be clearly dealt with. More emphasis should be laid on social fairness, grass-roots work, coordination among reform, development and stability to promote social harmony in the capital through building harmonious communities in towns and villages.
- (VI). We should adhere to the Olympics-driven strategy to improve work in the capital. Efforts should be made to practice the concepts of "Green Olympics, High-tech Olympics and People's Olympics" and host a unique and high-level Olympic Games. We should grasp the opportunity to fully upgrade the capacity of sustainable development in Beijing, the level of urban management and the civil quality of the municipal residents. It is important to make full use of the advantages to promote all dimensional, multi-level and broad-caliber opening and leapfrog socio-economic development of the capital.

Beijing's 11th Five-Year Plan: Part 2, Section 2 Written by Steve Tuesday, 28 March 2006 II. Main Targets

In accordance with the strategic deployment of "New Three-Steps" in the capital modernization, we should centre upon the strategic concepts of "New Beijing, Great Olympics," create an innovative, harmonious and livable new Beijing and host a unique and high-level Olympics. We strive for marked improvements in socio-economic development, indigenous innovation capacity, sustainable development capacity, life quality and in creating the best area for harmonious society, establishing the basic framework for a modern international city and laying solid foundations for realizing the strategic objectives of "New Three-Steps."

- (I). Remarkable improvement in economic development. The capital economy grows steadily and rapidly. On the basis of structure optimization, efficiency improvement and resource consumption reduction, the annual GDP growth rate registers at 9 percent, and by 2010 per capital GDP will double from the 2000 figure. Financial revenue witnesses an average increase of 12 percent. The economic structure geared to the resource features and functional requirements of the capital has largely taken shape, with the tertiary industry contributing about 72 percent of the total added value. Price level has basically remained stable and CPI increase is controlled within 3 percent each year.
- (II). Remarkable improvement in indigenous innovation capacity. We have basically created a capital innovation system with Zhongguancun Science Park at the core. The capacity for knowledge innovation and technology radiation has obviously increased, and the foundations for the innovation-driven city have been laid. R&D expenditure of the whole municipality accounts for about 6 percent of GDP, and

self-developed new and high-tech products contribute about 40 percent to the total value. Moreover, there appear some powerful enterprises with self-developed intellectual property, famous brands and strong international competitiveness.

- (III). Remarkable improvement in sustainable development capacity. The number of permanent residents in the municipality will be controlled at 16 million by 2010 as planned. Resource utilization has been improved substantially. The energy and water consumption per 10,000 yuan (US\$1,250) of GDP has lowered by 15 percent and 20 percent respectively, compared to the figures from the end of the Tenth Five-Year Plan. Ecological quality has been greatly improved with urban air quality basically meeting the national standard. Major lakes and rivers within the Sixth-Ring Road have been harnessed, with the water bodies generally turning clear. The forest and wood coverage of the whole municipality is as high as 53 percent.
- (IV). Remarkable improvement in people's life quality. Per capita disposable income of urban dwellers and per capita net income of farmers have annually increased by over 6 percent on average in real terms. The basic public service and living environment in the rural areas have been greatly improved, enabling city dwellers to drink clean water, breathe fresh air and have safe food. Per capita public green area in the city reached 15 square meters and safe drinking standards have reached 100 percent in rural areas.
- (V). Remarkable improvement in building a harmonious society. The town registered unemployment rate is controlled within 3.5 percent. A relatively full-fledged social security system and relief system has basically taken shape covering the urban and rural areas. The basic pension, medical insurance and unemployment insurance coverage in towns of the municipality stand at 95 percent, 95 percent and 90 percent respectively and rural pension coverage reaches 60 percent. New progress has been made in the market economy, urban basic administration and information technology. A relatively mature disaster prevention and relief system, and urban safe operation system, have been set up.

 "Village-Amidst-the-City" regulations are almost complete with the appearance of harmonious

communities, towns and villages. The rule of law and citizens' quality in law have been substantially improved.

Column II: Major indices of the national economic and social development during the Eleventh Five-Year Program

?? Controlling indexes

To keep the registered urban unemployment rate below 3.5 percent

To keep the consumer price index below 3 percent

To achieve a 12 percent annual growth rate for local financial revenues

To achieve a respective drop of 15 percent and 20 percent in energy consumption and water consumption for every 10,000 yuan (US\$1,250) worth of total output value compared with those at the end of the Tenth Five-Year Program period

Market monitoring and supervision

To keep the qualification rate of the sampling check up on food above 97 percent

To keep the qualification rate of the quality-test in medicine above 97 percent

To keep corporate illegal cases below 5 percent

??Social governance

To achieve a 95 percent coverage rate of urban endowment insurance and medical insurance and a 90 percent coverage rate of unemployment rate

To achieve a 60 percent coverage rate of rural endowment insurance and to maintain the participation rate of the rural cooperative health care system above 85 percent

To control the permanent urban residents to around 16 million

To bring the mortality rate resulting from traffic accidents down to 6 /10,000

To reduce the mortality rate resulting from various work accidents by more than 5 percent

??Public services

To achieve a 100 percent enrollment for compulsory education and high middle school education

To increase the city's workers' schooling period to more than 12 years

To provide at least 23 berths to every 100 old people above 60 in social welfare institutions

To make the urban center's public traffic system take charge of over 40 percent of the day's transportation

To make the city's air quality by and large reach the state standard

To increase the city's forest coverage to 53 percent, vegetation coverage to 45 percent and the per capita green areas to 15 square meters.

To increase the sewage treatment rate to over 90 percent in the city center and 90 percent in newly developed urban areas and town centers to 90 percent

To increase the utilization rate of recycled water in the city center to more than 50 percent

Over 99 percent of rubbish in central cities and newly developed urban areas are to be made harmless and the rate in rural areas should be 80 percent

To help 60 percent of rural areas have hygienic toilets

To make all drinking water in rural areas reach the qualification rate

Anticipated indices

To realize an annual growth rate of 9 percent of regional gross product value

To make the added value of the tertiary industry hit around 72 percent of the whole output value

Around 6 percent of the annual regional gross product value is to be spent on expenses for research and development

Eighteen patent application cases for every 10,000 people

To make 40 percent of all independent intellectual property rights high-tech products

The export of high-tech products is to account for over 40 percent of the region's whole export

To receive more than 5 million overseas tourists

The actual annual growth rate of urban residents' per capita disposable incomes is to be increased to more than 6 percent and the same rate is to be made for farmers' per capita net incomes

To help permanent residents in this city reach an average life expectancy of 78 years

Beijing's 11th Five-Year Plan: Part 2, Section 3 Written by Steve Tuesday, 28 March 2006 III. Priorities

With an eye to transform the concepts, make innovations in the model, improve the quality of development and lead the capital onto the track of coordinated and sustainable development, we should give priorities to four key issues of overall and long-term significance and strive to make breakthroughs during the Eleventh Five-Year Program period.

Intensive growth mode. In order to save and make efficient use of resources for further development, we should cut down energy consumption in all aspects ranging from production, construction, circulation and consumption, etc. To form an energy-saving mode of growth and consumption. In order to strengthen indigenous innovation capacity for further development, we should make major technological breakthroughs in key fields and build a mature indigenous innovation system and mechanism framework. In order to optimize the structure for further development, we should give full play to the advantages of Beijing in rich science and technology, information, talent and cultural resources, make the economy's headquarters bigger and stronger and gradually create a high-end, highly efficient and highly radiating industrial cluster.

Market-oriented resource allocation. We should perfect the pricing mechanism for resource factors so that prices can reflect the extent of resource scarcity, market supply and demand, and cost of ecological loss. The market should be given more power in allocating resources. In addition, we should continue to break monopolies and accelerate the building of the modern market system, which is unified, open and with orderly competition. Market supervision should also be enhanced. It is necessary to promote government innovation, intensify basic administration and improve the competence in performing duties in accordance with the law.

Universal and equal access to public services. We should adhere to a human-centered and expanded public service, oriented to the suburban areas, communities and the city residents. What needs our special emphasis is rural basic education, public heath, safe drinking and construction of other service facilities. It is necessary to regulate the coverage of public finance and gradually narrow the gap in public services between urban-rural areas and different regions. With better fairness and accessibility, the general public can be guaranteed to share the achievements of development and reform.

Coordination of urban-rural and regional development. We should set up a mechanism to coordinate urban-rural and regional development, implement the city master plan and function definition of districts and counties and intensify categorized guidance. In addition, we should actively guide and promote investment, shift of resource industries and functions to suburban areas so that the economic layout, population distribution and resources and environment sustainability can be matched and finally achieve strategic focus shift and optimization of the overall function.

Beijing's 11th Five-Year Plan: Part 3, Section 1 Written by Steve Tuesday, 28 March 2006 Part Three Development Focus and Policy Orientation

I. To Transform Economic Growth Mode

To achieve rapid and sound development of the capital economy, we should adjust the economic structure as soon as possible and transform the growth mode. We should strive to realize the coordination of the speed, structure, quality and efficiency of economic growth by increasing industrial

and technology level, magnifying scale and concentration effects, and promoting resource saving and utilization.

(I). To promote industrial optimization and upgrading

The general direction and requirements are: to develop high-end industries; to prioritize the modern service industry; to vigorously push forward new and high-tech industries; to moderately develop modern manufacturing industry and to substantially upgrade modern agriculture.

Modern service industry. We should be active in undertaking the shift towards an international service industry, paying attention to the knowledge-based service industry and enhance service functions and radiation. It is also important to steadily upgrade such pillar industries with comparative advantages in finance, culture and real estate and to nurture industries showing great potential, for example tourism, convention and exhibition industries and modern logistics, etc. Key areas include the following:

Financial industry. We should speed up financial liberalization in the capital, keep optimizing the financial development environment, build a multi-level financial market system with rich functions, adequate and orderly competition and strong regulation, and promote innovation of financial products and services. Measures should be taken to attract all types of financial institutions to Beijing, such as domestic and foreign banks, securities, insurers, trust companies and funds, etc. Efforts should be made to advance transactions of property rights and the development of the venture capital market. It is also important to bring into play the concentration and radiation effects of financial resources and to expand regional exchanges and cooperation in the industry.

Cultural and creative industry. Starting from system and policy improvements, we can accelerate the development of cultural and creative industries by formulating local regulations and preferential policies in support of the industry. We should integrate premium resources and actively develop a series of competitive cultural corporation groups and industrial clusters; make the advantageous industries bigger and stronger, such as performances, publications, broadcasting, film, TV and advertising, etc; continue to develop emerging industries, for example, creative, animation, network media and network gaming, etc; create some excellent cultural products and famous cultural brands, first-rate and rich with a Beijing flavor; gradually build Beijing into a national centre for cultural performances, publications, copyright trade, film and TV production and transactions, animation and network gaming, cultural conventions and exhibitions, and antique and art articles; make the cultural industry a pillar for the capital economy. We should seize the Olympics and vigorously develop the sports industry, making Beijing the centre of national sports activities.

Column III: Creative industry

Creative industry is also called innovative industry or creative economy. This industry is based on individual's creativity, skill and literary ability and attempts to create wealth and employment opportunities through intellectual property rights. It covers such sectors as advertisement, architecture, art and antiques, cartoons, design, fashion design, film, television, game software development, music,

performing art, publishing, software development and communication technology services. Currently, quite a number of developed countries and regions have promulgated policies to promote the development of the creative industry, regarding it as an important engine for economic growth and employment in the future. Endowed with striking advantages in developing the creative industry, Beijing will try to push forward this industry by strengthening organizational coordination and working out relevant guiding and preferential policies.

Tourism, conventions and exhibitions. We should take the opportunity of the Olympic Games to exalt the level of the tourism, conventions and exhibitions industry significantly and to create a world-leading tourist destination and centre of international conferences and exhibitions. In addition, traditional cultural sightseeing and tours should be consolidated, focusing on the development of high-end tourism products, such as modern entertainment, commercial conventions and exhibitions, sports and leisure. We should do a good job in constructing national conference centers and the (new) China International Exhibition Center, etc. Efforts should be continued to upgrade the brands with international influence in the science, technology, car and cultural industries.

Real estate industry. We should guide the real estate industry to develop in a sound manner, following the targets of "steady development, optimized structure and stable price." Efforts should be made to keep steady growth in investment and basic balance in supply and demand, and to optimize the market structure, focusing on the development of resource-saving houses and brand building. Moreover, we should vigorously develop a secondary housing market, standardize house lease markets and guide differentiated consumption. The layout of real estate development should be adjusted, shifting the focus to new and southern towns, such as Tongzhou, Shunyi, Daxing and Changping; no new projects of commodity houses within the Second-Ring will be approved; within the Third-Ring Road, large-scale commercial facility construction will be strictly controlled; within the Fourth-Ring Road, no new affordable housing projects will be developed.

Modern logistics. We should lay emphasis on logistic resource integration and efficiency improvement. Key projects include Shunyi Airport, Tongzhou Maju Bridge, Fengtai Wangzuo, Changping Machikou and other public logistic parks. We will try to create a logistic infrastructure pattern with logistic bases, comprehensive logistic centres and professional distribution centers complementing and coordinating with each other. We will make great efforts to develop industrial logistics, actively promote international logistics and optimize urban distribution logistics. With IT and supply chain management technologies at the core, we will strive to make logistic enterprises more professional, information-oriented and socialized.

Commercial trade and other services. We will work to upgrade traditional service industry by utilizing modern management methods and information technologies. Efforts should be made to promote modern circulation methods and new models, such as chains, convenience stores and specialized supermarkets, to speed up the development of community commerce and suburban, village and town commerce, and to construct modern circulation networks in the urban and rural areas. Moreover, the existing wholesale and retail markets should be regulated to transform and upgrade tangible markets. In addition, various intermediary agencies of commercial services should be regulated to raise the service level remarkably.

New and high-tech industry. The key lies in upgrading the indigenous innovation capacity and general competitiveness of the industry. Focus should be given to such high-tech service industries as software, R&D and information services, and new and high-tech manufacturing, mainly electronic and information industries and biological industries. By 2010, the added value of the high-tech service industry and manufacturing will contribute more than 25 percent of the GDP of the whole municipality. Key fields of development include:

Software industry. The second phase of Zhongguancun Software Park, Yongyou Software Park and other software bases will be constructed at a quicker speed. Driven by system integration, software development will be focused on key technologies, such as embedded software, middleware, information security and digital content. We should rely on the national software export bases to expand outsourcing and continue to support homegrown software through government measure such as procurement.

R&D industry. With the amelioration of public technology support and service support as the cornerstone, we work to establish professional R&D bases within a first-rate environment, to attract multinationals and large domestic companies to set up R&D centres and decision-making and operation centres, and to encourage the development of science and technology intermediaries in testing and consulting.

Information service. We should vigorously develop software services, value-added information and network services; 3-G mobile communications, digital TV, next-generation Internet and other key technological applications are our focuses; we should further strengthen the development and utilization of information resources, promote e-business, online education and training, digital entertainment and other network service, as well as new types of information service. Efforts should be made to build Beijing into the national centre for information services, a major hub for international information service providers and one of the most important telecom pivots in the Asia-Pacific region.

Mobile communications. Taking the opportunity for industrialization of new-generation technology standards, we will support R&D for key technology standards and industrialization of self-owned core technology programs, with the focus on 3G standards-based systems and mobile terminal designs to promote the upgrading of the mobile communications industry.

Computer and network. We will encourage cross-country operation of large computer companies, industrialization of 3C products based on IGRS standards and R&D and industrialization of powerful computers. We will make efforts to consolidate the industrial alliance of the next-generation Internet, to build a demonstrative platform for application and build the industrial chain of the IPv6-based next-generation Internet.

Column IX 3G and 3C

3G: Short for 3rd Generation, referring to the third generation of mobile communications. The first generation which came out in 1995 digitalized only the vocal signals, while functions of receiving website

and E-mail data were added to the second generation between 1996 and 1997. The third generation promises faster communications services, including voice, fax and Internet, anytime and anywhere with seamless global roaming.

3C: Refers to the combination of Computer, Communication and Consumer Electronics, which is also called Information Solutions.

Integrated circuits (IC). We strive to accelerate the construction of a national IC industrial parks, to integrate IC industrial resources with designing and testing as the focus, alongside manufacturing support, an improvement in the industrial chain of semiconductor materials and IC designing, manufacturing, encapsulation and testing.

Photoelectric display. We will rely on flagship enterprises to drive the industrial chain development of photoelectric displays and encourage cooperation in innovation and technology R&D between flagship enterprises, small and medium enterprises and research institutes in order to form advanced industrial clusters of photoelectric displays. In particular LCD, OLED and LED display products and industrial bases construction.

Modern biological industry. We should conduct active research on biological engineering and new products, such as gene engineering, biological chip, animal vaccine, to promote industrialization of biological engineering and medicine. Efforts should also be made to speed up the development of biological medicine, biological agriculture and biological environment protection. We stress Traditional Chinese Medicine (TCM) and natural medicines and strive to modernize TCM production.

Apart from the above-mentioned industries, we should actively develop potential industries, for instance, digital TV, car electronics, new materials and new energy.

Moderate development of modern manufacturing. We should quicken our pace in developing technologies, brand products, flagship companies and pillar industrial clusters with self-owned intellectual property to form a well-linked industrial pattern of "flagship companies-industrial chain----industrial cluster." We should give full play to the industrial concentration effects and comparative advantages of regions, increase the economic aggregate of the municipality and strengthen the overall industrial competence and competitiveness. Key areas of development include the following:

Automobile industry. From the perspective of system improvements and resource consolidation, we should speed up restructuring of the automobile industry, with a focus on cars, commercial vehicles and dual-purpose off-road vehicles. Whole car development can drive the progress of relevant industries, such as car parts, components, accessory manufacturing and service trade. We stress innovation, brand building, introduction and absorption of sophisticated and key technologies to enhance the overall competitiveness.

Equipment manufacturing. Focused on system integration, we make efforts to accelerate R&D and industrialization of field bus intelligent instruments and control system and give special support to

electricity generation, transmission and substation equipment, numerical-control machine tools, intelligent instruments and automation systems, engineering mechanics, printing mechanics and other advanced equipment manufacturing.

New petrochemical materials. We will actively promote such major projects as Yanshan Petrochemical 10-million-ton oil refining system transformation and third-round ethane device transformation. By relying on Yanshan Petrochemical Company, we will focus on new petrochemical materials and fine chemical manufacturing with light pollution, small resource consumption and high added value.

Medicine industry. We will focus on TCM and natural medicines and modernization of TCM production. We will make efforts to enhance creation and R&D of chemical medicines, to set up an industrial pattern featuring coordinated development of chemical medicine, TCM, biological medicine and medical devices and to build first-class national base for biological engineering and new medicine industries.

City industry. We focus on cultural, educational and sports articles, textiles, food, drink, package, printing, arts and crafts in order to create famous and excellent brands to meet the needs of urban consumers.

To expand and optimize the construction industry. We should further technological progress, optimize industrial structure and strengthen the overall competence and competitiveness of the industry. Moreover, we should consolidate the industry's leading position in China and on the basis of increasing its share in the domestic market, implement the development strategy of "go global" and enhance its capacity of service export.

To promote industrialized operation of agriculture. We will stick to the direction of modern agriculture in the city countryside, mainly focusing on efficient ecological agriculture, tourism and leisure agriculture. We will endeavor to make flagship companies bigger and stronger and promote agriculture to develop on a larger scale and in a more intensive way. We should make use of the capital's advantages in agricultural technologies and the market to create a regional agricultural chain. Our priorities are non-polluting, green, organic agricultural products and customized high-end products. We should make efforts to build famous and excellent brands, improve added value of agricultural products and comparative benefits of agriculture. It is necessary to practice industrialized operation of the modern agriculture in the city countryside, which is ecological, safe, intensive and efficient. We should speed up functional transformation of agriculture and develop modern agriculture in the city countryside. Efforts should be made in the following aspects: to optimize the layout of agricultural production; to promote standardized production, industrialized operation and scale development of agriculture; to improve the comparative benefits of agriculture; to strengthen agricultural infrastructure, safe production systems, animal and plant disease prevention, control systems and comprehensive productivity of agriculture; to vigorously develop tourism and leisure agriculture; to provide better social services; to advance environmental protection in agriculture and ecological restoration, and to enhance the capacity of agriculture to safeguard the environment.

To adjust industries not compliant with the capital's function definition. We should redouble our efforts to phase out the industries with high energy, material consumption, high pollution and low added value and to permute the stock of disadvantageous industries to develop industries with advantages. In addition, we should strictly control and eliminate industries based on resource exploitation and obsolete techniques and equipment. Efforts should be concentrated on the following work: relocation of Shougang group; construction of Caofeidian New Steelworks; implementation of Shunyi Cold Rolled Steel Sheet project; relocation of Eastern Chemical Works and Coking Plant; restructuring the construction materials in the whole municipality and shutting down of enterprises causing serious environmental pollution.

(II). To guide rational distribution of industries

Our efforts should focus on the following: to make intensive use of resources and protect the environment; to foster new growth poles; to regulate the order of regional competition; to strengthen planning and policy guidance in accordance with city development strategy and function definition of districts and counties; to promote relative concentration of key industries and newly built projects and to gradually form an industrial layout in line with city functions, resources and environment.

We should promote rational division of labor and diversified development of different districts and counties. Our focus will include the following: to optimize and improve the core functional areas of the capital, especially finance, culture, tourism and other modern service industries; to transform and upgrade the traditional service industry; to restrict simple scale expansion of general commercial facilities and real estate development; to gradually close and transform goods hub markets in downtown areas. Moreover, we should upgrade extended city functions, in particular, science, technology, education, culture, sports, commercial services, modern logistics, information services and other modern service and high-tech industries. Other efforts include the following: to expand the scale of a headquarters economy; to continue relocation of disadvantageous industries; to give special attention to new developed areas, modern manufacturing and service industries supporting life and production; to strictly protect basic farmland; to develop high-end agricultural products and agriculture in the city countryside; to moderately develop ecological conservation zones; to stress the development of environmentally friendly industries and city industries, such as ecological agriculture, special trees and fruits, tourism and leisure; to gradually shift resource exploitation-based industries that adversely affect ecology and water conservation and to give powerful support to the industrial transformation in Fangshan, Mentougou and other areas after the shutdown of coal mines.

We should construct the functional area of high-end industries that lead to future development. Efforts will be made in the following areas: to strengthen Zhongguancun Science Park and drive intensive development of new and high technology R&D and knowledge service industry, to speed up the building of Beijing Economic and Technology Development Zone and form a world leading industrial base dominated by high-tech manufacturing and productive service; to develop the functional area of the aviation economy and aviation industry to improve the level of conventions, exhibitions and logistics; to

perfect the commerce center area, Olympics center area and financial street to promote cluster development of the high-end service industry; to attract domestic and foreign investment to the functional areas through preferential policies; to arrange some municipal-level key projects in favor of the functional areas and support some district-level key projects to concentrate in the areas that can become a new growth pole that represents the functional advantages of the capital and with the greatest economic vitality, market competitiveness and industrial radiating power.

To foster and develop specialized agglomeration areas. We will focus on functional development of special agglomeration areas to promote the scale and brands of relevant service industries, such as Wangfujin and Xidan modern trade agglomeration areas, the Chang'an Avenue cultural performance agglomeration area, Lama Temple creative industry base, Xuannan cultural, media, folk custom and tourism agglomeration area, Shichahai traditional feature agglomeration area, Longtan Lake sports industry agglomeration area, Shijingshan recreational agglomeration area, royal garden tourism agglomeration area, Daxing new media industrial base, Fangshan new material industrial agglomeration area, Daxing biological medicine base and high-end manuafacturing clusters. We should plan the land use of the Shougang group, develop cultural, entertainment and high-tech industries, promote the development of Shijingshan west service centre and realize new breakthroughs in the process of adjustment.

To guide the industry to develop in an outward radiating manner. Our focuses include the following: the three lines of Beijing-Tangshan, Beijing-Tianjin and Beijing-Shijiazhuang; industrial base development and relevant infrastructure, R&D, core manufacturing, marketing and other key links; modern manufacturing, tourism and leisure industry; outward extension of the industry in city countryside to form cross-regional industrial belt.

To adjust and optimize industrial layout. Efforts should be made in the following aspects: to give full play to the market in resource allocation; to enhance planning restraint and policy guidance; to properly handle the relationship between key industries and general industries; to stress core project distribution in manufacturing, circulation and other field; to properly handle the relationship between increment configuration and stock adjustment; to concentrate new industrial projects in development zones, industrial parks and key functional areas; to play the guiding role of industrial development funds; to give support to the industrial parks in building infrastructure, improving service systems, creating major project industrial chains and strengthening the absorbing and driving capacity.

(III). To actively develop a recycling economy

Following the principles of reduction, reuse and recycle, we base ourselves on resource saving and recycling to make effective use of resources. Efforts should be made to nurture recycling industries and speed up three systems of recycling production, green consumption and comprehensive guarantees through the exemplary role of pilot projects.

Column V: Circular economy

Circular economy takes "reduction, recycle and resource-orientated" as its principle. It centers on the enhancement of resource efficiency and is characterized by low inputs, low consumption, low emissions and high efficiency---an economic growth model that conforms to the concept of sustainable development. The so-called "reduction" means to minimize resource consumption and waste discharge in the process of production and service supplies; "recycle" means to make use of abandoned products or dismantled parts through rehabilitation, renovation and remanufacturing so as to extend a product's life; "resource-oriented" means to transform as much waste into resources as possible so as to make waste treasured and harmful materials useful.

To establish a screening and evaluation mechanism for industrial projects. Work in this respect include the following: to implement comprehensive evaluation of industrial projects; to improve the evaluation indicator system of resource evaluation and environmental protection for project screening; to include land investment intensity, input/output efficiency, water consumption, energy consumption, environmental requirements and other indicators in project reviews and land provision; to strictly control the entry of projects with high consumption, high emission and low benefits; and to improve the overall utilization of resources.

To promote the system building of a recycling economy. Work in this respect include the following: to construct and perfect resource consumption management systems with more emphasis on key industries; to actively promote consumption of natural resources through energy, water, land and material saving; to create a clean production review system for key industries and strengthen pollution prevention and the whole process control for metallurgy, petrochemical, chemical, construction materials, power and other key industries; to enhance the development and extension of products in line with the requirements of a recycling economy, mainly energy and land-saving houses, energy-saving and environmentally friendly cars, green illumination equipment, water-saving household products and non-polluting agricultural products to guide consumption; to promote city garbage separation and processing; to improve the system of recycling resources and reutilization and industrialization of various waste and old resources.

Exemplary projects of the recycling economy. We adhere to organization, guidance and promotion in government by building 2~3 exemplary districts and counties, 10 exemplary industrial parks and a hundred flagship enterprises of a recycling economy. Efforts will be focused on the following: to build a series of streets with green illumination, energy-saving and environmentally friendly architecture; development and utilization of recycling resources, projects of reclaimed water and flood utilization; to make good use of pilot projects for recycling resources, in particular exemplary projects of reclamation and disposal of waste and old resources, disposal of hazardous waste, straw gasification, integrated use of domestic waste, and to maximize the force of a recycling economy.

To advocate green consumption. We strongly advocate resource saving, healthy and wise production and consumption and raising social awareness in resource saving and environmental protection. Moreover, we promote the government procurement of green products, encourage green power, products with energy labels, energy and water saving certificates, environmental labels, and green,

organic labels and to reduce excessive packaging and throwaway products to guide consumption behavior of the whole society.

To intensify the guidance and guarantee of policies and regulations. Efforts should be made as follows: to make active exploration and build an evaluation indicator system for the recycling economy and an accounting system; to involve all types of intermediary agencies and institutes of research and higher education; to improve information and technology counseling systems for the recycling economy; to increase government input in R&D and industrialization of exemplary projects of common features and key technologies of the recycling economy; to enhance technological support for the recycling economy, to formulate policies and measures to promote integrated use of resources and to speed up legislation so that legal obligations of manufacturers, vendors, recyclers and reuse units and customers can be defined.

(IV). To create a sound environment for development

We should shift the focus of government economic management to serving and creating a sound environment for market players through system and policy innovation as well as service efficiency improvement. A satisfactory, more creative and easy environment for enterprises will promote the development and transformation of the capital's advantageous resources and help to release its potential.

To further open the market and promote factor inflow. We are resolute to break monopolies, straighten out and 0eliminate restrictive regulations and practices that impede development, especially in education, medical care and cultural services, and relax control over market access. In addition, we should improve the project management system, combine verification and filing systems, perfect "one-stop" service, execute notification and commitment systems and build a more standardized and transparent management and service system. Apart from capital attractions, we should give more emphasis to introducing technology, management, talent and the improvement of the production and operation environment. Moreover, we should strengthen the rule of law and integrity cultivation to make investors more reassured and satisfied.

To innovate policy support system. Efforts in this respect include: the consolidation of supporting funds; to innovate guiding methods; to play leverage effects of capital; to support the development of key industries through guiding funds, seed capital, guarantees, subsidies on interest payments, stock purchases and other methods; to assist companies in R&D, brand promotion and distribution system building; to improve the project evaluation system featuring "public collection, expert review and government decision;" and to create a fair and orderly market environment for various investors.

To improve supporting facilities. We should increase input in infrastructure and public social service facilities in major functional areas, development zones and industrial parks, improve infrastructure and

life service conditions of water, electricity, gas, heat and roads in key areas, and strengthen supporting systems in industrial parks to make them more attractive.

To perfect business incubator service system. We should rely on the service halls of districts and counties and grass-root government departments, consolidate the functions, extend service and build business incubator service centres. We should shift the focus from project management services to business incubator services to provide companies and individuals with such services as technical guidance and information counseling. Moreover, we focus on policy publicity and information disclosure to provide companies and the public with the proper anticipation and right guidance.

Beijing's 11th Five-Year Plan: Part 3, Section 2 Written by Steve Tuesday, 28 March 2006 II. To Expand Social Public Service

To organize and provide social public service is an important responsibility of the government under the market economy. During the Eleventh Five-Year Plan, we should adhere to the principles of people first and should be oriented to the suburbs, community and city residents. Other efforts include setting up a stable growth mechanism for public financing in social public service; to improve the service system; to innovate service models; to raise service efficiency; to promote equalization in basic social public services so that a social public service system, which covers both urban and rural areas, can be created.

Column VI: Social public services and classifications

To organize and provide social public services is the government's vital responsibility and also an important method to maintain social equality. As services are provided for non-profit and profit purposes to different degrees, social public services mainly fall into two categories, namely, basic public services and non-basic public services. While the former is also called non-profit social public services and the latter is further divided into mixed public services and profit-oriented public services. The government is the provider of basic public services, the initiator of non-basic public services, and also the manager of the whole public service. At the current stage, basic public services mainly include compulsory education and the popularization of education, basic health care and public sanitation, non-profit cultures, public health building, basic social security and the maintenance of public security. All these are provided by the government to all citizens in a equal way in accordance with laws and regulations. The major function of basic public services is to promote social progress, maintain social justice and to protect disadvantaged groups as well as the public's basic rights.

(I). To prioritize the development of public education

Tasks in education include: to implement the capital strategy of educational development; to promote competence-based education in an all-round way; to coordinate educational resources; to deepen reforms in educational system; to accelerate educational restructuring; to stimulate healthy and balanced

development of various types of education; to construct a modern system of national education; and to gradually achieve transformation from quantity to quality, from scale to structure optimization and from school education to lifelong education.

Basic education. Efforts should be made in the following aspects: to build a system that provides financial preferences for compulsory education and rural basic education; to practice "two exemptions and one grant" for nine-year compulsory education in the whole municipality, namely total exemption of incidental expenses and text books expenses and grants for poor students; to adjust the layout of primary and middle schools; to implement condition standardization for running primary and middle schools; to investigate and punish unauthorized charges; to organize excellent teachers from suburban areas and encourage college students to assist and teach in rural areas; to enhance the overall competence of teachers; to improve rural school conditions; to support balanced development of compulsory basic education; to accelerate curriculum reforms in basic education; to perfect teaching quality control and evaluation system; to adjust the educational structure for high schools; to strengthen the supply capacity of premium educational resources and to safeguard the rights and interests in education of children whose parents are migrate workers in Beijing.

Vocational education. Efforts in vocational education include: powerful planning to coordinate the development of middle and high-level vocational school; to advance various types of vocational education in accordance with market demands; to provide special support for vocational education that meets the requirements of the capital's industrial development; enhance the employment skills of new school-leavers and farmers; to encourage private-run middle and high-level vocational schools; to construct a series of high-level practice and training bases and demonstrative schools; to raise the level and quality of vocational colleges and schools oriented to employment; to follow market demands, enhance training for farmers, company employees and migrant businessmen and workers in Beijing in order to improve their competence.

Higher education. Efforts should be made in the following aspects: to emphasize competence-based education; to optimize structure and layout; to stabilize the scale of undergraduates and junior college students; to develop postgraduate and international student education in an orderly way. During the Eleventh Five-Year Program, to stabilize the enrollment rate of college entrance examinations to around 70 percent and raise the gross enrollment rate of higher education to around 60 percent; to strengthen cooperation in universities and colleges in Beijing; to promote the building of world class universities an high-level universities in key disciplines; to expand foreign exchanges and cooperation; to improve the quality, level and performance of higher education; to deepen system reforms; to support institutes of higher learning with proper conditions for working with social forces and create independent colleges; to speed up distribution adjustment to do a good job in creating college parks in Changping, Liangxiang.

Lifelong education. We should conduct extensive training for various types of talents and develop multiple forms of education, such as adult education, continued education, community education and modern remote education. We should also strive to build a lifelong education system to provide rich learning resources and a convenient learning environment, to promote the development of a learning city and to enhance the quality of residents.

(II). To intensify medical and health services

Focused on improving the health of citizens in a comprehensive way, we should make efforts to perfect the public health and basic medical service system, ameliorate medical equipment, enhance the development of key disciplines and raise the technical and service level. Moreover, we should strengthen grass-roots health development and provide fair, quality, convenient and affordable medical heath services.

Basic medical services. Efforts in this respect include: deepening reforms in medical health system, to create a general and specialized dual-dimensional system covering community health service agencies and large and mid-sized regional hospitals; to improve the basic medical service capacity of communities; to vigorously develop TMCs; to gradually address "difficult and expensive medical treatment;" to rationally plan hospital layout; to give special emphasis to general medical centers in new towns and suburbs; to further open the medical service market; to encourage and guide social capital in building medical service agencies; to tighten control over medicine and medical service prices and curb the increase in medical charges.

Grass-root health development. Efforts in this respect include: coordinating the planning of urban and rural community health service networks; to implement categorization and standardization of health service centers (stations); to strengthen the public health service functions; to realize "in-community treatment of small illnesses and timely referral in case of serious diseases;" to intensify rural health infrastructure and training for medical service backbones; to realize the transformation of all village and town health stations to community health service agencies by 2010; to meet the demands of rural residents for basic medical heath in infrastructure, doctor and nurse number, service capability and to perfect medical assistance systems for the poor for social fairness.

Response system for emergency public health events. Efforts in this respect include: the improvement of Beijing's response system for emergency public health events; to build a regional coordination mechanism; to create a municipal and district or county two-tier centre for emergency command in the principle of local management and unified command; to improve an emergency decision-making command system; to enhance quick response capacity and cure capacities for emergencies and to ensure the life and health safety of urban and rural residents.

Public health systems. Efforts in this respect include: the construction of a unified and effective system for disease prevention and control; to intensify prevention and control over various major contagious diseases; to improve the medical assistance system consisting of three systems of emergency rescue, contagious disease treatment, occupational poisoning and nuclear radiation treatment; to accomplish major projects, such as Youan Hospital expansion, Ditan Hospital relocation; to consolidate public health information resources on epidemic and disease situations, detection and warning systems; to create an integrated network system for public health information; to strengthen supervision over health law enforcement; to tighten check and market surveillance and to improve the capacity of health supervision and law enforcement.

(III). To promote flourishing development of cultural and physical undertakings

Focused on the function as a cultural centre, grassroots-oriented and rural area-oriented public cultural and physical undertakings in Beijing should be developed proactively. Public physical infrastructure and cultural creations should be encouraged to better satisfy people's spiritual and health needs.

Create cultural extracts. Support public, creative culture and excellent folk culture and produce better extracts. Promote cultural exchanges and enlarge Beijing's international influence. Enforce cultural market management, seriously fight against piracy and foster a healthy cultural environment and resist molder culture. Establish CCTV, National Library Period II, Beijing TV and other large-scale infrastructure, while effectively integrating and making full use of the current infrastructure.

Develop mass media. Promote broadcasting and TV program innovation and make efforts to create a suite of pop, famous and influential broadcasting TV frequencies, channels and brand programs. Proactively promote digital TV, mobile TV, mobile phone TV and other new types of media, integrate cable TV digitalization. Establish rapid response mechanism of major great events and breaking news, enforce internet media management and improve the quality of news releases.

Enrich people's cultural activities. Establish a high profile grass roots cultural advocate, organize interesting and diversified activities; fully utilize urban parks and other public spaces to establish outdoor show venues. Continue promoting cultural activities in rural areas and communities. Encourage and finance artist groups to have performance in rural areas, factories, mine sites and university campuses. Enforce the establishment of urban and rural cultural activity infrastructure and improve socialized cultural infrastructure management.

Develop physical undertakings. Deeply push forward a nationwide physical fitness campaign, enhance citizen's health, and establish a nationwide physical fitness system focused on physical service. The priorities are suburbs and community public infrastructure, which are able to obviously upgrade the rural area's physical service capacity. Take the Olympic Games as a good opportunity to speed up physical reform and innovation, make the city a famous international physical centre. Implement an athletics talent foster project and develop a set of international sports projects and excellent sportsmen. Essentially try to create a sound record in the 2008 Olympic Games and other influential contests.

(IV). To maintain public security

To construct an integrated, coordinated and highly efficient Olympic security system and urban public security maintenance system, protect people's lives and properties and create a safe and stable social environment for all citizens.

Maintain city public security. Improve the supervision network and the ability of collecting information, analysis and pre-alarming. Integrate the systems of 110, 122 and 119 and establish a Beijing Police Calling Centre. Establish a linkage mechanism with the First Aid Centre and improve rapid responses

and the comprehensive controlling capacity. Improve public security in the city and enforce the establishment of physical and technological defense in key areas.

Prevent and treat key break out events. Enhance the cooperation with international anti-terrorist organizations; establish an all round antiterrorism working mechanism, consisting of leadership, information pre-alarming, emergency control and scene treatment. Improve the work plan and training. Ensure the security of big events and important festivals and prevent any violence or terrorist activities.

Harness comprehensive social security. Enforce the plan and establishment of police stations and police workstations and other basic public security infrastructure; effectively integrate and standardize all security recourses and mobilize the people to perfect a system of patrol, community, police and interior security; continue to support safe street projects (villages and towns) and safe community projects to prevent crime.

(V). To improve public service efficiency

We should push forward the investment and financing system reform of the public service infrastructure according to the principle of government leadership, social participation, flexible mechanism and policy incentive. The market mechanism should be introduced and the public service mode should be innovated. Together with optimized allocation and improved service efficiency, it is possible to better satisfy people's diversified needs.

The public service should be managed in different categories. A scientific division of basic public services and non-basic public services should be adopted based on the current development. Government should take the responsibility of basic public services to ensure the equal access. In addition, guidance and supervision are needed to encourage and support major non-basic public services.

Innovate the public in the service mode. In order to increase the efficiency of governmental investment, it is necessary to explore the governmental purchase of services and encourage major social bodies to carry out basic public services. Non-basic public services should be more diversified. Through financial subsidy, combined management of public and private enterprises (PPP mode), chartered management and policy support, we should guide major bodies to participate in the establishment and operation of public service infrastructures. At the same time we should also fully open up the market, eliminate hindrance of capital inflow and create a competitive market environment with equal investment bodies and order.

Optimize public service infrastructure allocation. We should push forward the equal access and full coverage of compulsory education, public health, public culture, community construction and other basic public services; the priorities are rural areas and community public service. According to population distribution, industry layout and village function positioning, the non-basic public service layout should be comprehensively planed to develop special features and increase service capacity. Based on the principles of plan gross, optimized increment and promoting quality, the public service infrastructure

allocation efficiency should be increased. Different public service recourses in one area should be integrated and shared. City centre functions should be further divided. In principle, no more mid- and large-scale education and medical infrastructure should be established. New infrastructure will be added in new city areas and suburb public services so that the high-grade resources can be diffused and transferred orderly.

Beijing's 11th Five-Year Plan: Part 3, Section 3 Written by Steve Tuesday, 28 March 2006 III. To enhance infrastructure

Integrated urban and rural infrastructure, moderate leading development, added establishment and deposit reconstruction should be have equal emphasis to establish a safe, efficient and perfect modern infrastructure system. Therefore, infrastructure capacity and efficiency can be improved greatly and the city's space layout will be optimized and Olympic Games and city development needs can be guaranteed.

(I). To construct a comprehensive traffic system

Public transportation will promoted as a priority and a modern comprehensive traffic system will be established, featuring a reasonable structure, integrated functions, safety, convenience, high efficiency, an environmental friendly guarantee, a combination of rural and urban areas and intra-city integration. The modern system will obviously upgrade the loading capacity and provide great help to relieve the traffic jam.

Urban public transportation. In the year 2010, the following traffic resources will be put into operation: subway line 4, line 5, line 10 stage 1 project, the Olympic lateral and the Capital Airport track. At the same time, it is possible that subway line 9, line 10 stage 2 project and the Yizhuang light track will be accomplished and subway line 11 and line 4 south extension will start construction, enabling an overall urban traffic network of over 270 kilometers. Roads for special usage will continue to be expanded. Up until 2010, high-speed buses with a large capacity will reach over 40 miles of gross mileage. Urban centre public passenger transport system will take over 40 percent of the daily traffic load.

Inter-city and intra-city traffic. Focused on the city track, intra-city railways and freeways, the traffic network covering Beijing, Tianjin and Hebei province should be further perfected, as well as networking connecting city centers, new cities and centre town rapid traffic. The following projects will also be complete: The second route way between Beijing and Tianjin; the north line of the Capital Airport; the south line of the airport (Litian freeway); Beijing-Chengde freeway (Beijing section); Jingping freeway; Beijing-Baotou freeway (Beijing section); the second freeway of the airport and the sixth ring road. The freeway mileage will accumulate to over 900 kilometers, with almost 400 kilometers of new freeway. Up until the year 2010, an integrated freeway network of major national highways and Bohai ring highways will take shape, with a calculated urban road of 16,000 kilometers. At the same time, one fast

road will connect each new city and city centre. Key town centers will be connected by freeways and highway networks covering all the villages and towns within the city.

Centre road network construction. A perfected road network structure will improve urban traffic capacity. Fast road and south-north trunk road construction will be speeded up The network will consist of 14 radiating fast roads and 3 fast ring roads. Construction of a city cycling system should be speeded up to increase the network intensity. A total of 59 Olympic sites will have surrounding roads constructed to meet the needs of the 2008 Olympics Games. The following roads will finish construction: Tonghui river north Road; Fushi Road; Guangqu Road; Yao Jiayuan Road; Pu Huangyu Road and other fast road; Zhao Dengyu Road; Lan Dianchang South Road; Beiyuan Road; Dawang Road West; Yuaquan Road and other south north channels and trunk roads including Futong East Street; Chaoyang Road; Wanshou Road and Anli Road. Up until 2010, city centre fast roads will reach over 280 kilometers.

Static traffic infrastructure. Highway hub construction should be pushed forward, and Maju Bridge, Yansun, Shiba li Dian and other level 1 and level 2 freight hub constructions should be accomplished. In addition, the railway freight capacity should be enhanced by the restructuring of Beijing North and South Stations and establishing a direct line between Beijing Station and Beijing West Station. The expansion of construction at Capital Airport should be finished as well as the preparations for choosing the second airport's site. Public transportation hubs and the construction of operation sites will be speeded up, such as Dong Zhimen and Yimu Yuan. Bus and subway ticket system reforms should be carried out along with the promotion of a one stop card. To formulate parking facilities and operation management policies to speed up public parking infrastructure construction and continue to revise residential sites and public building parking standards to strictly forbidden illegal parking. Up until 2010, a parking system according to the road traffic capacity will take shape and "one place for one car" will be realized. Public parking places will account for over 10 percent of automobile quantities.

Traffic management. Based on information and intelligent management, a international advanced traffic management and information service system and public passenger transportation control and information service system will be established to realize the integration and sharing of all traffic information, scientific allocation of traffic signs and road lineation, as well as improved infrastructure utilization efficiency. To further perfect traffic management facilities and enforce laws and regulations of traffic management and enhance the education to the people, it is important to rectify traffic order and harness hidden safety risks to improve overall traffic safety.

(II). To further improve the energy supply system

We should insist on increasing the energy supply, give priority to energy saving, optimized structures, ensure security and initially set up an energy supply system, featuring "focused on electricity, supported by coal, natural gas and oil, backed up by high quality energy, with enlarged use of new energy and renewable energy," enabling over 70 percent of high quality energy usage in the total energy consumption.

Electricity power. According to estimates, in the year 2010, the ultimate electricity load in Beijing will reach 16.7 million kilowatts per hour. In order to guarantee electricity supply, the principle of "multiple structures of diversified development focused on electricity supply from other cities and supported by the electricity supply within Beijing" should be applied to increase overall electricity supply security and emergency the treatment capacity. In order to guarantee safe electricity supply, Sun Palace, Zhengchang Zhuang and other gas electricity factories are to be constructed to maintain one third of the local electricity supply. Based on the principle of "focused on north China, enforce the local supply, multiple channels and multiple direction electricity," enforce the electricity channel establishment and ring Network connecting Beijing, Tianjing and Tangshan. The large network of several areas and multiple directions and channels is to ensure the electricity supply and electricity network. Beijing 500 kilovolts electricity network, 220 kilovolts and 110 kilovolts high voltage network construction is to enhance the supply in the city centre, the new cities and the rural areas. The aim is to establish a safe, stable, reliable and first class urban electricity network in Beijing in the year 2010.

Natural gas. To fully utilize domestic resources and introduce foreign resources to realize multiple gas supplies so that the supply can be stable and safe. With government support, natural gas from Shanbei gas field and Talimu gas field will support Beijing. We will help the national government to speed up the Tangshan Caofei Dian LNG project and introduce piped foreign natural gas in order to enforce relevant pipe and network construction to enhance the receiving capacity. The priorities are the sixth ring road high press transmission and allocation and centre city transmission and allocation system enlargement. We will push forward the natural gas pipe development to new cities and key towns to speed up suburban energy restructuring.

Finished oil. To fully control resources to guarantee the supply of finished oil in Beijing. The sixth ring road finished oil transporting pipe is to be established and Changxin Dian oil storeroom, Shun Yi oil storeroom and Sha He oil storeroom are to be enlarged. Air coal and oil transporting pipe and coal oil storeroom are to be established to enhance the storage and transporting capacity connecting Yanyuan and the Capital Airport. We will offer support in Yanhua capacity to improve the supply.

Coal. To strengthen cooperation in the coal producing areas of Shanxi, Inner Mongolia and Hebei. Coal enterprises in Beijing are encouraged to participate in the construction of North China coal in order to guarantee coal supply. End coal burning is to be abolished gradually to control new coal burning facilities. Clean coal technology is to be encouraged to reduce to pollution. Up until 2010, the coal consumption in Beijing will be less than 25 million tons.

New types of energy and renewable energy. To speed up renewable energy development and utilization, such as solar, terrestrial heat, wind, biological energy. Supporting policies are to be formulated. Up until 2010, new and renewable energy will account for 4 percent of total energy consumption.

Heat power supply. Back up heat resources are to be added with the priorities of Sun Palace, Caoqiao, Zhengchuang Villiage and other gas thermoelectricity factories. The heat resources are to be integrated and operated in a combined way and area integrated heat supply is to be encouraged. Efforts will

continue in implementing "coal gas to natural gas" transformation projects of less than 20 tons capacity small coal burning boilers. End the heat supply transformation of suburban new cities and areas of clean coal technology; promote distributing energy and hot pump and other new types of heat supply.

Energy storage and pre-alarming system. The coal storage basis should be reasonably planed with the total storing capacity of 3 million tons. North China underground gas storage should be established to increase the capacity. In 2010, energy safety pre-alarming and emergency response systems will be basically constructed.

Column VII: The analysis of the energy supply and demand balance during the Eleventh Five-Year Program

Based on the analysis of the supply elasticity and mutual substitutability of major energy products, the total energy to be supplied to Beijing in 2010 is predicted to be equal to 65 million tons of standard coal. In order to achieve a basic supply and demand balance, efforts should be made to further the economic restructuring, promote energy efficiency and attention should be paid to environmental improvement and the optimization of the energy structure. Firstly, to improve the reception capability of natural gas; secondly, to improve the 500-voltage grid for an enhanced ability to receive electricity; thirdly, to stabilize the coal supply; fourthly, to meet the demand for oil products through market distribution; fifthly, to step up the exploration and utilization of new energies and renewable energies.

Energy consumption structure in Beijing during the Eleventh Five-Year Program

Variety

Unit

2004

2010

Actual quantity

Standard amount

Ratio

Actual quantity

Standard amount

Ratio

Total energy consumption 10,000 ton standard coal

5,140

100.0%

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6,500
100.0%
Coal
10,000 tons
2,943
2,265
44.1%
2,500
1,920
29.5%
Natural gas
100,000,000 cubic meters
27
328
6.4%
70
850
13.1%
  Oil products
(Gas, coal, diesel oil and other oil products)
10,000 ton
914
1,326
25.8%
1270
1,850
28.5%
   Introduced power
100,000,000 KWH
308
994
19.3%
480
1,500
23.1%
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Others

(LPG?gas and renewable energies)

227

4.4%

380

5.8%

Note: total power 100,000,000 KWH 510

750

(III). To guarantee water supply

We will insist on supply increases and energy saving; flood prevention and fighting against drought; enhance water resource supplies with the priority of rural areas and villages. Drain and flood prevention infrastructure are to be coordinated and water supply and city flood prevention systems will take shape.

Water supply system. We will speed up the relevant construction within the city of South-North Water Transfer and give priority to the water transporting pipe line between Tuanchang Lake and the Ninth Water Factory, south main trench and water reserve. Water factories including the tenth water factory, Guogong Zhuang, and other current factories will be enlarged. Up until 2010, plain area tap water coverage will reach 100 percent.

Drainage system. We will construct high standard city drain system, with the new drain pipe lines network enabling the diverged drain of rainwater and sewage water and combined pipes and networks will be gradually transformed. Urban centre drain network coverage will reach 90 percent and 14 sewage water treatment factories will be established to perfect the system, at the same time urban centre sewage treatment infrastructure will also be updated.

New water resource construction. We will proactively push forward the middle project of South-North Water Transfer and enables water connecting preparation by the end of 2007 in Beijing and Shijia Zhuang emergency project. Rain and flood utilization technology will be promoted, as well as measures of ground filtration and grassland filtering water reserves will be implemented to save rainwater. Cooperation with upper areas is to be enhanced to increase coming water and improve water quality. Sea water desalinization preparation should be carefully managed.

Regenerated water utilization. Renewable water resources development is encouraged with the priorities in Qinghe, North Xiaohe, Wujia Cun, Xiaohong Men and Lugou Bridge water regeneration factories and relevant pipes and lines to make regenerated water an important water resource for the green city

and the environment of rivers and lakes. In 2010, urban centre regenerated water utilized ratio will reach over 50 percent with annual regenerated water utilization of 600 million cubic metres.

Flood prevention infrastructure. Yongding River, Beiyun River and Chaobai River flood prevention and control projects are to be constructed to increase the new city flood prevention capacity. Dangerous water reserves should be repaired. Yongding River mountain channels are to be comprehensively harnessed and a Western suburb floodwater storage project is to be constructed.

Water supply storage and emergency response system. Huairou, Pinggu and Fangshan emergency water supplies are to be protected and Changping Machi kou project is to be constructed. Based on Miyun water reserve and Jushui area underground water reserve, a local resource oriented water storage and emergency response system should be established primarily.

Column VIII: The analysis of water supply and demand balance during the Eleventh Five-Year Program

It is predicted by water management departments that during the Eleventh Five-Year Program, the city's total demand for water will reach 19.3 billion cubic meters while the annual demand for water stand at 3.86 billion cubic meters. In accordance with the state of water resources and the water supply capability during 1999 and 2004, and calculating on the hypothesis of drought occurring every year, the predicted water supply will be 16.9 billion cubic meters during the Eleventh Five-Year Plan. By the Project of South-to-North Water Diversion and by taping new water sources within the city, accumulatively, another 1.85 billion cubic meters of water can be used, making the city's total water supply capability reach 18.7 billion cubic meters. Even in this situation, there is still a shortage of 0.55 billion cubic meters of water during the Eleventh Five-Year Program, which will manifest during 2006 and 2007. Therefore, the whole society ought to save water and at the same time, reservoirs in such upstream reaches as Miyun and Guanting should divert to the city 100 to 200 million cubic meters of water in times of urgency every year. Besides, it is necessary to develop spare water sources, further reduce water demand in years of great water demand, so as to keep water supply and demand balanced.

(IV). Improve other infrastructure

Infrastructure of information. Aimed at building "digital Beijing" and greatly promote broadband communication networks, digital TV networks, next generation Internet and other information infrastructure so as to construct a service network with reasonable layout, shared resources, interconnectivity, safety and reliability. In 2010, broadband access will reach 4 million. Radio management should be enforced, with construction of comprehensive information channels and gradual transformation of spans and lines. A comparatively perfect underground information channel infrastructure will take shape. Wireless communication, cluster communication and other high end network infrastructure will be proper developed.

Infrastructure of the city's public fire control. Fire stations, fire control water resources, fire engine passes, fire control communications and equipment and other infrastructure will be greatly constructed to enable the public fire controls to develop at the same pace with urban development and to increase the city's fire prevention, treatment and emergency harnesses capacities.

Postal infrastructure. Postal infrastructure should be upgraded to increase the capacity of mail treatment and delivering time. Up until 2010, a modern postal network with full functions, reasonable layout and advantageous technologies will be realized.

Green garden city construction. In order to meet the requirements of 500 meters service redial, we will continue to build public grassland, 20 leisure parks will be built within the first green belt; establish an aeration pass from the suburbs to the urban centre. Ring shape and radiating green networks surrounded by the urban centre will be perfected as well as roof green projects and vertical greenery to make the green system a wholesome package. Green penetration of roads and streets, two sided along the river will make establish special gardens. We will enforce famous scenery integrated planning and core resource protection and revision and upgrade service quality.

Public infrastructure of streets. Public infrastructure will be improved, including bus waiting booths, telephone booths, newspapers and magazine booths, information booths, ad booths, electronic information bulletin boards, open tour site instruction boards, map boards, road guidance boards, newspaper reading boards, decorated road lights, chairs and ash bins, in order to bring about convenience and upgrade the city's image. Chartered management will be proactively encouraged in street public infrastructure.

Storage infrastructure transformation. While carrying out new projects, current infrastructure and resources are to be utilized and integrated to speed up storage adjusting and transformation. With new technology, enhanced management and electricity network transformation, we will eliminate hidden security dangers and increase efficiency. Transformation of Beijing east station, south station, north station, Fengtai west station and Shijing Shan south station will be finished, as well as subway line 1 and line 2 transformations, so the interval between two trains can be reduced to 2 minutes 30 seconds. Bus networks and station layouts are to be adjusted. 500 kilometers of water supply pipes are to be transformed to eliminate second water supply hidden risks.

Beijing's 11th Five-Year Plan: Part 3, Section 4 Written by Steve Tuesday, 28 March 2006 IV. To construct new types of socialist rural areas

It is the important historical task for the capital city to build up new socialist rural areas, as well as an important measure to solve "three dimensional agricultural problems" in the context of the new times. During the Eleventh Five Year Program period, we should bases ourselves on production development, rich lives, civilized habits, tidy and clean villages and democratic management, build the new type of

rural areas with integrated plans, gradual implementation, governmental guidance, voluntary participation, local features and concrete results to promote a coordinated development.

(I). To speed up the rural economy development

We should insist on putting development on the top of the agenda and help farmers to get rich and rural areas to prosperous. Rural economic restructuring is to be promoted and modern agriculture is to be accelerated. We will also increase non-agriculture development and provide a stable basis for new rural construction.

To develop urban type modern agriculture. The development should be biological friendly, safe, high quality, intensive and highly efficient, aiming to serve the city, improve the environment and increase farmers' income. Through enforcing agriculture structure and optimizing production layout, modern agriculture comprehensive capacities, social service capacities and biological protection capacities can be improved. We will enforce agricultural infrastructure and encourage agriculture infrastructure development. Based on current resources, we will foster a competitive dominant industry belt and product groups to further perfect the water saving irrigation system and achieve more agricultural machinery. The priorities are: Good seeds and cattle; scientific innovation and application; agricultural produce safety and other supporting systems. By accomplishing these priorities, modern agriculture production is to be upgraded. Biological friendly production modes are encouraged to enhance the environmental protection and biological revise functions, including integrated growth and fostering, a combination of agriculture and husbandry, and resources recycling.

To improve non-agriculture industry development. We will integrate industry development and farmers' employment in non-agriculture sectors, speed up the development of secondary and service industries. In the light of resource integration, transformation and improvement, industrial development in rural areas is encouraged, such as the farm produce processing industry with projects of great market potential and brand reputation. Priorities are given to foods and clothing packing. Rural services featuring tourism development are encouraged to integrate agriculture with sight-seeing to form a set of famous brands. To achieve professional markets, logistic allocation centers are to be speeded up and the construction and transformation of farm produce wholesale is to be carried out. The rural service industry should be convenient and environmental friendly.

(II). To push forward urban planning and construction

Based on resource integration, industry fostering and population convergency, urban centre construction should be carried out in a scientific and orderly fashion to improve the overall planning and sound urbanization.

To develop small towns and cities with diversified features. Insisting on planning guidance and infrastructure priority, urbanization and industry development should be coordinated. Based on industry base, freeway and key infrastructure, urban centers that have great influence with advanced economy, proper scale and sound environment will be given priority to primary build a layout of ordered

management, mutual advantages, reasonable planning and coordinated development. Thanks to suburban resource advantages, special small towns of modern agriculture and biological tourism will be constructed.

To develop new city construction trial projects. According to socialist rural area requirements and intensive land using and the public infrastructure efficient utilization principle, rural construction should be planned to optimize village layout. Integrated urban and rural development, focused on permanent centre village, will promote transformations of old village and new village trials, promoting a set of clean villages with a rich service infrastructure. Village planning designs, new resources, new materials, new technology and residential house design services should be available. Necessary policy and fund support is to be put forward to guide farmers to take part in new village construction and explore effective mechanism.

To continue the moving of migrants. Encourage farmers and resident's to move out of areas of debris flow, underground hollows, and shut down coal mine areas. Relevant policies of biological, production and living migrating are to be perfected and we will guide large population to live in the centre of villages and small towns to improve their living standards.

(III). To improve public service facilities in rural areas

Take concrete measures to increase government investment, implement a series of programs which directly serve the rural areas, meet the demands of rural residents, benefit people in the rural areas, and proactively push forward the transfer of high-quality urban social public service resources to the suburban areas, to make obvious improvements to the suburban and rural situations, especially the backward situation of infrastructure and public services.

Enhance the infrastructure construction in rural areas. On the basis of "asphalt roads to every village" in all the administrative villages, the project will be expanded to the natural villages. By 2010, the objective of total road coverage networks in all towns and villages in the city will be achieved, the road construction in rural areas will be enhanced, the rural road networks will be improved, the construction of cement roads in the central villages will be accelerated and the production and living standard of the rural areas will be improved.

Improve the level of public services in rural areas. Implement the education support and exchange system of teachers in the urban areas to the rural areas, and continue to improve the schooling conditions in the rural areas, to realize the full qualification of middle and primary school education in rural areas. Strengthen the public sanitary and basic medical service system in rural areas, and further improve the medical conditions of rural residents.

Column IX. Key constructions in the rural areas during the Eleventh Five Year Program

Pave the roads with cement, and construct the road networks. On the basis of "asphalt roads to every village" in all the administrative villages, the project will be expanded to natural villages.

Guarantee safe drinking water. Implement water improvements, drinking water and central water supply projects, and gradually replace the aging facilities. By 2010, the objective of safe water for all rural residents will be achieved, with a 100 percent quality guarantee in drinking water in mountainous areas and a 100 percent guarantee in tap water in plain areas. Safe drinking water for all rural residents will be realized.

Develop clean energy. Improve the rural electric power supply network. Push forward the development of natural gas pipes to new cities and key cities and towns. Lead the rural residents in changing their traditional way of energy utilization, and actively develop clean energies which accommodate the rural features like solar energy, wind energy and landfill gas.

Treat the environment well. Construct the water drainage and wastewater treatment facilities, which are in line with the features of rural areas and speed up the construction of toilets in the rural households. Promote the model of "village collection, township transportation, and district treatment" of rural garbage, to improve the sanitary conditions of the rural environment. By 2010, the rural sanitary of toilets will achieve 90 percent, and the harmless treatment rate of township and rural daily disposal garbage will reach around 80 percent.

Speed up construction of information technology networks. Make key efforts in constructing and improving rural broadcasting, television, telecommunications and telephone networks. Promote optical fibers to villages and Internet access to households. By 2010, all the administrative villages of the city will have access to cables.

Enhance basic education and compulsory education in rural areas. Implement education support and an exchange system of teachers from urban areas to rural areas, and continue to improve the schooling conditions in rural areas, to realize the full qualification of middle and primary school education in rural areas. Proactively develop the online education of middle and primary school education in rural areas, and improve the information technology level of rural education By 2010, information network access will be available to the middle and primary schools, as well as kindergartens, in rural areas.

Construct rural medical and sanitary facilities. Strengthen the public sanitary and basic medical service system construction in rural areas, and further improve the medical conditions of rural residents. By 2010, a standard sanitary room will be established in every central village of the city, to guarantee the primary sanitary and health care of rural residents. In line with the demand for pensions in rural areas, a series of service facilities will be established.

Build up the cultural and sports facilities in rural areas. Push forward the expansion of cinemas, cultural centres, libraries and Xinhua Book Store outlets to the suburban areas. Combining the willingness of rural residents and local cultural traditions, plans for the construction of cultural and sports facilities with rural characteristics will be made. Carry out the activities of "civilized villages and towns" and "civilized"

households," strengthen the scientific popularization and advocate a healthy and civilized lifestyle for rural residents.

(IV) To channel the employment transfer of rural residents

Shift the emphasis of urbanization to the promotion of production and transfer of lifestyle of rural residents. Guarantee the improvement and prosperity of rural residents, gradually establishing the urban-rural integrated management system and service system, in order to ensure rural residents are employed and settled in the cities and towns, as well as allowing for their mobility and flexibility.

Carry out technical training of rural residents. Implement the rural labor transfer and employment training projects, and foster the new generation of cultivated, technical and managerial rural residents. During the Eleventh Five Year Program period, more than 100,000 rural residents will be trained annually. In time the next generation of rural laborers will be highly qualified, skillful and examples of professional modern industrialized workers or professionalized employees in the service industry, with the ability to settle down in the urban areas.

Integrate the employment service in both the rural and urban areas. Expand the employment service network and employment promotion policies in the urban areas to the rural areas, improve employment service systems at the township and village levels, and carry out urban-rural employment registration, management and service systems of labor.

Push forward the construction of social security in rural areas. Comprehensively push forward the construction of new cooperative medicare systems in rural areas, and gradually realize the shift from township and district overall planning, to segmentation and city overall panning. Stick to the funding principles of personal custom, collective subsidy and government allowance, and gradually improve the pension system in rural areas, which is in line with the economic and social development there. By 2010, the new cooperative medicare penetration rate in rural areas of the city will exceed 90.85 percent, and the pension coverage rate will reach 60 percent.

(V) To deepen rural economic reforms

In the principle of good maintenance, realization and the development of rights and interests of the rural residents, starting from the protection, development and in-depth promotion of rural economic structural adjustments, deepening the reforms of rural economic and social management systems, and promotion of rural productivity, aiming at the promotion of coordinated development of economy and society in rural areas, further deepen the reform of incompatible links of the currently existing system with the development demand and increase of the income of rural residents.

Push forward the economic structural adjustment in rural areas. Seamlessly combine the agricultural industrial development with the expansion of non-agricultural employment of rural residents, actively develop characteristic agriculture, speed up the development of rural secondary and tertiary industries, and promote the overall level of the rural economy. Make great efforts in developing harmless, green

and organic farm produce, emphasize the cultivation of characteristic and unique farm produce, guide the development of high-end farm produce meeting personal demand, and support the development of leading enterprises. Adhere to the principles of resource integration, centralized layout, and employment promotion, expand the agricultural industrial chain, and enhance the development of processing, freshness storage and transportation. Give priority to the development of labor-intensive, resource-saving, environment-friendly and suitable metropolis industries. According to the guiding principle of layout optimization and quality promotion, expand the aggregate of sightseeing agriculture and rural tourism, accelerate characteristic professional markets and logistics centers in rural areas, and lead the way to the development of a rural daily life service industry.

Accelerate the rural reform of land systems. According to legitimate, voluntary and paid principles, push forward the rotation of land contracting and management rights, and develop various forms of prudent scale management. Explore the means and methods of access to the rural collective construction land market. Improve the reform of land expropriation system, and facilitate the rational compensation mechanism to rural residents in land expropriation. Push forward the intensive utilization of land resources.

Steadily push forward the collective economic reform of property rights systems. In the direction of "assets to equity, and rural residents to shareholders," steadily push forward the reform of property rights of rural collective economic organizations. In ways of contracting, renting and auction. Actively bring reforms in management and utilization of small-scale rural irrigation and drainage infrastructure facilities.

Deepen rural tax for fee reforms and township institutional reforms. Continue to deepen and consolidate the reform results of the rural tax fee reforms, and release the burden of rural residents. Positively push forward the township institutional reforms, rural compulsory education and township fiscal system reforms, and improve the management efficiency of the government at a grass roots level. Push forward the management mechanism of central towns and villages to transform to street and community management models. Greatly enhance the development of the professional cooperative economic organizations of rural residents. Gradually clear, check and resolve the rural non-performing debts, to prevent the appearance of new debts. Push forward the management mechanism of central towns and villages to the street and community management models. Make great efforts in developing professional cooperative economic organizations.

(VI) Put in place a favorable policy mechanism concerning rural development

In light of the principle of "more contribution, less gain, and flexibility," strengthen policy integration in government investment and high-quality resource transfers to suburban areas, further motivate functional transfers, and expand the coverage of public finance in rural areas, to provide policy and mechanisms to guarantee the coordinated development of urban and rural areas, motivated by urban areas.

Implement declining investment policies. Invest more at a city level to suburban and rural areas; during the Eleventh Five Year Program period, based on guaranteeing the legitimate growth of city level

investment, the ratio of new funding at the city level on education, health, culture, and family planning to suburban and rural areas, should not be less than 70 percent. Put into place funding and allowances to public businesses at the village level, and make proper additional funding according to actual situations. Gradually realize the governmental investment transfer to suburban areas; during the Eleventh Five Year Program period, the fixed asset investment from the government to the suburban areas is to be no less than 50 percent, with an emphasis on infrastructure and construction of social and public service facilities as well as guidance of the urban high-quality resources to suburban areas.

Put into place the policies benefiting rural residents. Implement well the direct subsidy policy to encourage grain-planting farmers. Stick to funding declining to the farmers and agricultural comprehensive exploration, complete the ecological and forest compensation mechanism in mountainous areas, stipulate and implement various forms of effective supportive protection methods for the water source areas in the mountainous areas, establish industrial adjustment funds in the mountainous areas, and lead and promote the transfer and adjustment of resource exploitation industries. Improve and attract social funds to support the facilitated policies for the development of mountainous areas, support the development of green industries, and push forward the policy of mountain protection for the prosperity of the people.

Improve financial services in rural areas. Complete and improve the financial services in rural areas, strengthen the major role of the rural commercial banks of Beijing in supporting rural construction. Actively optimize the financial service environment, rationally channel the flow of funds, and promote the rural industrial structure adjustment. Strengthen the construction of an agricultural insurance system, and develop the capacity in response to the natural and market risks.

Beijing's 11th Five-Year Plan: Part 3, Section 5 Written by Steve Tuesday, 28 March 2006 V To optimize the urban functional configuration

According to the demand of the implementation of city overall planning at various stages, establish the optimization of overall functions and a maximization of overall efficiency, further strengthen the categorized direction of urban exploration and construction, gradually push forward the strategic transfer of the development and construction emphasis of the city, optimize the urban area, strengthen the suburban area, develop the plain area, conserve the mountainous area, promote the coordination of population distribution, economic layout and resource and environmental capacities, and realize the obvious promotion of city treatment efficiency.

(I) To push forward the urban development with order

According to the space structure arrangement and regional development orientation of the city, further specify the exploration emphasis of different districts, make it clear the construction time and order, construct the promotion pattern with rational order.

Strengthen the categorized guidance on regional development. On the basis of the four functional districts – the core functional district, the capital functional district, the city functional expansion district, and ecological conservation development district – and in term of exploration and construction in the different districts, policies of optimized exploration, key exploration, restricted exploration and prohibited exploration respectively will be carried out according to the overall requirements and actual basic conditions of the functional positioning. The optimized exploration district mainly refers to the regions with relatively strong development and construction, basically saturate functional configuration, and weakening capacity, including the central urban areas and established district of different townships; it is necessary to control the scale of the new construction and highlight the adjustment to the reconstruction. The key exploration district refers to the regions embodied by leading functional positioning and representation of future development direction, including the new cities, central townships and key industrial functional districts; it is necessary to enhance the investment force and improve the capacity. The restricted exploration district mainly refers to the basic farm land conservation and green segmentation areas planned in the mountainous, low mountainous area and plain areas; it is important to strictly control the exploration and construction against the functional positioning requirements. The prohibited exploration district includes various natural conservation districts, water conservation districts as well as other ecological functional district and appointed historical and cultural overall protection areas set up according to the law.

Rationally master the pacing and pattern of the regional exploration and construction. Give priority to the development of high-end functional districts like Zhongguancun Science Park, Beijing Economic-Technical Development Area, Beijing Central Business District, Olympic Central District, Financial Street, and Tianzhu Airport Neighboring Economic Zone, with clear functional positioning, and mature planning conditions. To promote the overall service functions of the city; put emphasis on the development of the three new key towns of Shunyi, Tongzhou and Yizhuang motivated by the eastern part, to channel the population in the central urban area and functions; speed up the development of southern area, and promote the regional coordinated development; actively adjust the central city functions, pay attention to the treatment of villages in the urban area, reconstruction of dangerous buildings and old city feature protection, push forward the implementation of significant projects, and motivate functional channeling.

(II) To put into place the functional positioning of the districts and townships

Start from mechanism construction, promote the effective implementation of functional district segmentation through the establishment and completion of adjustment and guiding mechanism, while playing out the market resources allocation, and gradually realize the coordinated development and virtuous interaction between the urban and suburban areas, between the south and the north, and between the mountainous area and plain area.

Improve the financial sharing mechanism. According to the principle of unity of responsibility, rights and interests, emphasize the playing out of initiatives of governmental responsibilities of districts and townships, further improve the tax decentralization financial system of the city, districts and townships,

comprehensively make use of the means of existed fixed assets adjustment, increasing fixed assets exchange and transfer payment, and endorse districts and townships with financial rights coordinated with functional positioning and responsibility performance. Strengthen the city's funding support to the districts and townships, emphasize on the increase of transfer payment to the ecological conservation development district, traditional industrial adjustment regions and the southern part of the city as well as the exclusive support to key construction and development tasks of other functional districts.

Adopt differentiated regional orientation policies. The governmental investment should decline in public service facilities and ecological environment construction of the ecological conservation development districts, to the infrastructure construction of the new city development districts, and to the significant construction tasks of the city functional expansion district as well as the capital functional key district, and channel the industries to conglomerate to the key functional districts and specialized parks. In terms of land policies, according to the functional district segmentation and the requirements of grads transfer, give priority to the demand of the key development districts, rationally control and optimize the increase of development districts, and rigidly control and restrict land use in the development areas and prohibited areas.

Rationally allocate the significant projects. According to the requirements of the city space strategic adjustment, regional functional positioning and stage development implementation, establish and complete the allocation mechanism of the significant projects, and effectively play out the driving role of them. Pay attention to the layout of the significant projects with key functions like manufacturing, logistics and public service, and guide the new projects to develop towards the new city development districts, and key development districts of the functional expansion districts. Rigidly control the newly established projects of the central districts. Give priorities to the implementation of the trans-regional and leading significant projects.

Strengthen the regional categorized assessment. Further improve and implement the index system of the regional categorized assessment, and strengthen the differentiated assessment according to the regional function requirements, while conducting the comprehensive assessment well according to the scientific development concept. Stipulate and implement well the corresponding performance evaluation standards of the districts and townships, and comprehensively measure the working performance of the functional implementation, industrial layout adjustment and economic and social development of the districts and townships.

(III) To protect well-known historical and cultural cities

Take further steps to improve the management mechanism of the protection of well-known historical and cultural cities, from the three layers of the overall pattern, historical and cultural protection area and cultural relics protection units, and push forward the coordination and integration of protection of historical and cultural cities and the construction of modern cities.

Protect the overall regime of the old city. Put key emphasis on the protection of the imperial city, traditional city axis, reed circumvallation of Beijing in the Qing and Ming Dynasties, old city historical

rivers and lakes system, grid layout road network and quadrate yard buildings. On the prerequisite of protecting the overall features of the old city, explore the municipal infrastructure facilities construction model suitable to the old city protection.

Stress the cultural relics' protection units and the historical and cultural resources protection. Further strengthen and improve the fundamental work, and complete the standards and systems. Stick to the principle of "original sites protection," strengthen the maintenance, repair and treatment of the cultural relics constructions, especially the historical and cultural protection areas as well as cultural relics buildings and historical sites with important historical protection values like the western suburban scenic spots, the Great Wall scenic spots in Beijing, and imperial tombs, and maintain the natural and historical environment. Gradually reconstruct and recover the historical and environmental features of Shichahai, Guozijian and the Forbidden City. Continue the survey, registration and management work of various immovable cultural relics of units that have not been ratified as cultural relics' protection units, and set forward the protection range and construction-controlling zone of these units. Push forward the returning and opening work of the occupied cultural relics' protection units. Pay attention to the appraisal, protection and rational utilization of excellent architectures in modern times. Strengthen the saving and protection of historical documents, and emphasize the excavation, sorting, recovery and protection of various non-material cultural legacies.

Realize sustainable development of historical and cultural sites. Rationally set up the functions and capacity of the old cities, actively channel the industries and functions, decentralized the residents in the old city, explore the reconstruction model of dangerous buildings, adopt various measures like public financial declining, steadily push forward the reconstruction of dangerous old buildings with order, try to improve the housing of most of the residents living in the dangerous old buildings, make necessary protection to the buildings, blocks and old cities, and make great efforts to realize the coordination of the protection of old city features and the reconstruction of dangerous old buildings.

(IV)To improve the urban treatment efficiency

Overcome the phenomena of duplicated construction and lack of management, stick to the legitimate, scientific, rigid and orderly management of the city, and play out the people's role in the municipal administration. Proactively push forward the management mechanism innovation and model transformation, emphasize on the improvement and strengthening of fundamental management, and improve the operation efficiency and security guarantee capacity.

Deepen the comprehensive reform of the municipal administration mechanism. Clarify the working functions of the government at various levels in the municipal administration, and establish a standard and high efficient municipal management framework with combination of the city, district and street levels, and rational work distribution. Push forward and motivate the community administration mechanism innovation through municipal social administration mechanism reform, and improve the autonomy capacity building of the communities. Fully play out the significant role of the CPC organizations at a grass roots level, autonomy organizations at the grass root level in both the urban and rural areas, as well as the social intermediate organizations in the administration, and put the fundamental

work of municipal administration into place. Improve the decision-making mechanism of municipal administration, and adopt the publicity and hearing mechanism for the significant issues which have great bearing on the people's interests.

Innovate the municipal administration ways. Relying on digital city technology, establish the social administration and service database with the major content of population, social units, environment and municipal public facilities, push forward city networking and information technology management, and realize the precise and highly-efficient municipal administration. Proactively explore and apply the advanced information technology, play attention to the document information technology work and take concrete measures to solve the issues like information resources integration and sharing, as well as information technology policy and regulation guarantee.

Complete the comprehensive disaster prevention and reduction system. According to the principle of prevention as the major task, resource integration, apanage as the key and social participation, establish unified and high-efficient emergency management and controlling system, improve various working counter plans, strengthen the construction of flood, earthquake, and fire prevention facilities as well as disaster aid and emergency reaction teams, establish and complete corresponding laws and regulations, obviously enhance the disaster prevention, reduction and aid capacity, and build up unified, coordinated and highly-efficient city security maintenance systems and operation management mechanisms.

Intensify safe production management. Strengthen the construction of safe production facilities and production and safety emergency aid system. Establish the potential risks double-checking and treatment mechanism of significant accidents with a combination of safe production comprehensive monitoring management and industrial supervision. Complete the alerting, prevention and control system of significant production safety accidents. Establish documents of the potential risks, evaluate, categorize, treat, trace and supervise on the significant accidents. To the significant accident potential risks after the evaluation, a limited period of time is given for the elimination of the risks and migration.

Guarantee the food and medicine security. Strengthen the production headstream management of the planting and cultivation industries, put key emphasis on the standard and safe utilization of agricultural pesticide and fertilizers. Intensify the market supervision on food, medicine, and catering sanitation. Ensure the safe food supply to the capital as well as the medical security of the people.

Enhance the treatment of the city environment. Stress on the problems of dirty, messy and bad, emphasize on the urban-rural junctional area, urban village, neighboring area of important tourist area (spot), and the neighboring area of the Olympic stadiums, and push forward from the central area of the city, and from the inner part to the outer part step by step. By 2010,the comprehensive treatment of 200 "urban villages" of the 8 districts of the city will be basically completed, with key emphasis on the improvement of the neighboring environment of 100 important streets. Strengthen the management of underground space to create a safe, convenient, and comfortable city environment for the people.

Written by Steve Tuesday, 28 March 2006 VI. To strengthen the construction of social harmony

According to the requirements of "democracy and law, fairness and justice, honesty and friendship, full of vitality, stability and order, as well as harmonious coexistence between human and nature," start from the realistic problems with great bearing on the rights and interests of the people, and make efforts to take steady steps in building the district of capital of socialist harmonious society.

(I) To take every measure to increase employment

Employment is the foundation of people's living. During the Eleventh Five Year Program period, the promotion of employment should be put on a more important position in the economic and social development, to realize the 1 million newly added urban employment and 300,000 of transferred rural labor.

Employment policies. Adopt proactive employment policies, ensure the coordinated development of employment and economic growth, and improve the employment absorption of industries. Complete various policies like industrial policies, tax and fee reduction and exemption, small-sum loans, and social security subsidies, and guide and promote employment. Carry out venture program collection, assessment, promotion and direction, encourage and support the laborers to do ventures themselves, and realize the employment motivated by ventures. To economically disadvantaged areas, adopt employment declining policy to promote the coordinated regional development. To the disadvantaged group, adopt supportive policies to promote their employment.

Technical training. Establish complete laborer training systems, and promote the order-oriented training featured by "fixed-location enrollment, fixed-post training and fixed-direction employment," centering the demand. Establish the professional technical training mechanism supported by the government and participated by society, and provide free professional and technical training for the unemployed urban residents and transferred suburban and rural residents. Conduct venture training among the people with the potential to run small and medium sized enterprises, to improve their qualification and employment capacity in an all-round way.

Service steering. Complete the employment service organization network of the communities, villages and towns, strengthen the employment steering service functions of the job introduction organs at municipal, district (township) and street levels, promote the employment assistant service model, broadly provide employment information and raise the efficiency and quality of the job introduction service. Improve the management of the job introduction organizations, crack down on illegal intermediate behaviors, and safeguard the order of the labor market.

Employment of the disadvantaged group. Establish employment aid systems to provide the comprehensive service of fixed-post training with integration of professional training, technical assessment, job introduction and employment service. Intensify the "one-on-one" professional steering,

make great efforts to explore the public benefit post of the communities, and promote the re-employment of the people with difficulty to be employed, such as "4050" unemployed people, transferred rural residents, unemployed rural residents, and unemployed disabled people.

Adjustment of labor relationship. Complete the labor standards, and intensify the labor contracting management. Linked by the coordination of the three parties of the labor relationship, greatly enhance the collective contracting system and salary collective consultative system, push forward the collective consultation between the labor committee organizations and enterprise organizations, and sign collective contracts. Improve the labor guarantee and supervision system, improve the efficiency and settlement capacity of the labor disputes arbitration organizations, strengthen labor management according to the law and guarantee the legitimate rights and interests of the laborers.

Adjustment of income distribution. Stick to the distribution system featured by distribution according to work as the major form and coexistence of various distribution forms. Further standardize the income distribution order, adjust the monopoly income, and ban the illegal income. Attach high importance to the justice of distribution opportunities and procedure, enhance the taxation supervision and financial transfer payment, adjust the income distribution pattern, and constantly expand the ratio of the medium-income group.

(II) To expand the social security coverage

Social security is the foundation for the safety of the people. During the Eleventh Five Year Program period, expand the social security coverage, and establish basically complete social security system connecting the urban and rural areas.

Urban-rural social security system. Establish a multi-layer pension system, reform the calculation and distribution method of the basic pension, and form the incentives and restriction mechanism encouraging more custom from the workers for more benefits; guided by the state policies, reform the pension system of the public service units, establish the yearly salary of the enterprises and professions, advocate and direct the workers to participate in personal savings pensions. Complete the medicare system, expand the medicare coverage to benefit more social members, and realize the integration of medicare system at the public expense with the medicare insurance system. Further improve the insurance system of work injury, unemployment and maternity. Push forward the rural social security construction, in the principle of accommodating the development level and broad coverage, emphasize on the new cooperative insurance and pension as well as minimum social security system, and gradually realize the combination with the urban social security system.

Urban-rural social aid system. Establish the social aid system with basic social security as the basis, exclusive aid as facilitation, and emergency aid, legal aid and mutual social aid as supplement. Complete the linkage mechanism of unemployment insurance systems and urban low security systems, and improve the minimum social security level of the urban and rural residents properly. Constantly improve the exclusive aid policy, strengthen the organic link among the low security, employment and poverty alleviation policies, and take concrete measures to play out the effect of comprehensive difficulty

alleviation. Strengthen the housing guarantee system construction and gradually solve the housing demand of low-income households.

Socialization of social welfare. Further standardize the development of social welfare, and establish the management system and operation mechanism with vigor and vitality. Deepen the reform of state-owned social welfare organs, encourage and support the social force to hold social welfare organs and pension service entities. Further complete the elder and disabled people service network at the municipal, district (township), villages, and community (household) levels, and establish various forms of elder and disabled people service system. Aiming at the policy objective of "housing for all", innovate the public housing policy, comprehensively utilize the land, tax, financial and administrative means, and improve the commercial housing and social security housing supply system oriented toward the medium and low income households to meet the housing demand of all groups of people as well as to fully guarantee the living rights of every citizen.

Development of charity. Make overall plans, standardize the deeds according to the law, actively support the development of charity cause, broadly promote the concept of charity, put into place the preferential tax policy, and guarantee the legitimate rights and interests of the donators. Cultivate and develop various charity organizations, expand the donation channels, strengthen the money and goods management, push forward the self-discipline mechanism construction of charity endeavors, and raise the authority, to make it an important channel for social aid.

(III) To build harmonious communities, villages and towns

Start from the grass roots level, and take concrete measures to enhance social construction, management and service, to lay solid foundation for the construction of districts of the capital of a harmonious society.

Innovate the social management system at the grass roots level. Deepen the reform in management systems at the street and village level, and realize the organic combination of administrative management, social management and democratic autonomous management. Actively explore the forms of government "procurement service" and "contracting outsourcing", and complete the social management and public service network. Proactively foster and fully play out the role of various communities, industries, intermediates and public benefit organizations, establish the social management network where government administrative function complementing to the social autonomous functions, and government management strength interacting with the social adjustment strength, and improve the social management level at the grass roots level in both urban and rural areas.

Improve the public service system at the grass root level. Lift the key point of public service construction to the level of improving grass roots level services, centering on the communities and villages, stipulate the specific standards of hardware facilities for community offices and services, invest more to the facility construction, rationally plan and implement the layout, and take concrete measures to improve the government's public service level in terms of grass root education, medicare, culture, environment and fire control.

Strengthen the work guarantee at the grass root level. Strengthen the construction of CPC organizations and autonomous organizations at the grass root level, improve the democratic autonomous system and play out the role of the CPC organizations at the grass root level to serve the people and unite people's hearts and coordinate, the autonomous organizations to coordinate interests and solve disputes and problems. Improve the work guarantee mechanism, increase the investment of the municipal and district level, establish and improve the working outlay guarantee system of the community and village committees, solve the problem of insufficient management and construction outlay at the grass root level, improve the working conditions and improve the service capacity at the grass root level.

(IV) To strengthen democratic legal system construction

Push forward administration according to the law, further improve the democratic participation system, expand the channels to reflect the people's will, gradually complete the coordination mechanism to express, balance and adjust the social rights and interests, and maintain the social security and stability of the capital.

Democratic political construction. Stick and improve the People's Representative Congress system, and the multi-party cooperation and political consultative system led by the CPC. Constantly consolidate and develop the political situation of democratic unity, vitality, stability and harmony. Comprehensively carry out the nationality and religion policy of the Party. Stick to the unity of nationalities, and promote the common prosperity and development of various nationalities. Manage the religious and business according to the law. Stick to independence, self-management, actively channel the religions and socialism to accommodate with each other. Take concrete measures to work with migrants and with Taiwan. Do well the work with intellectuals out of the Party, non-public economists, and other people of new social strata. Play out the role of mass groups like the workers committee, the Youth League, the women's federation in participating and supervising the non-governmental organizations like industrial commissions and intermediate organizations in the state management and social services. Strengthening the construction of political authority at the grassroots level, developed grass root level democracy, promote the openness of factories, villages, and politics, and expand the citizens' political participation with order.

Legal construction. Push forward the management of the market according to the law, make efforts to realize judicial justice, and in improve the administrative capacity and the level of the government and public servants. Improve and strengthen the local legislation work, and constantly improve the legislation quality. Strengthen the legal supervision. Push work in judicial reform, improve the qualification of the judicial team, and ensure judicial justice. Deepen the implementation of legal education, and improve the legal consciousness of the citizens.

Resolution of social contradictions. Establish smooth channels of rights and interests expression and complete communication and feedback mechanism, lead the people to express their demand for interests rationally and illegally, and solve well the acute contradictions in the development. Improve the responsibility system of visit reception, establish complete examination, investigation and the settlement

mechanism, actively prevent and properly handle the mass events. Improve the working system connecting with people's solution, public security administrative solution and judicial solution, form the working mechanism and pattern of coordination and cooperation of various departments, and promote social harmony and stability.

(V) To improve the level of the civilized city

Strengthen the moral construction of citizens, make great efforts to carry out spiritual and civilized activities of the people, advocate and set up social honesty and trust, take concrete measures to promote the qualification of the people and the civilized level of the city, and provide fine cultural environment for the Olympic Games and the establishment of the district of capital in the socialist harmonious society.

Moral construction. Comprehensively implement the basic moral standards for the citizens, continue to carry out civilization and etiquette promotion and education practices, advocate the national spirit with patriotism at the core and the spirit of the times with reform and innovation at the core, and enhance the citizens' capital awareness, moral awareness, legal awareness and social morality awareness. Improve the moral work of the schools, establish and improve the minors' moral education system with combination of schools, families and the society, and strengthen the moral work of the university students. Improve the civilized qualification of the workers and businessmen from other places in Beijing.

Establishment of civilized city. Implement the human's Olympic project, and broadly carry out civilization and etiquette education. Centering on the establishment of a beautiful environment, good order and high-quality service, grasp the major problems that affect the image of the capital, get rid of the outmoded conventions and customs, take concrete measures to improve the civilized qualification of the citizens, and show the world the good spiritual features of the people in Beijing. Fully push forward various establishment activities of civilized communities, villages, industries, and schools, virescence and beautify the city environment, improve the public signs and education windows, scientifically set up disability friendly facilities and promote the image of the city.

Beijing's 11th Five-Year Plan: Part 3, Section 7 Written by Steve Tuesday, 28 March 2006 VII. Population development, resource and environment

Aiming at the construction of a livable city, comprehensively improve the healthy population development, speed up the construction of a resource saving society, strengthen environmental protection and ecological construction, and push forward the coordinated development of society, population, resource and environment of the capital.

(I) To promote healthy population development

Adjust the control in the scale of the population. Establish the comprehensive population adjustment and control system of the capital, and utilize economic, scientific, administrative and legal means to contain the over-speed growth of the population scale. By 2010, the permanent population of the city will be control below 16 million. Standardize the registered migration policy, and control the mechanical growth of the population. Improve the living conditions of the flowing population, improve the social security system for them, improve the working model of "management according to the certificate and to the house", adopt normalization management of the flowing population and citizen service, and effectively adjust and control the scale of the flowing population. Stick to the basic state policy of family planning, and continue to stabilize the low maternity level.

Improve the quality of the population. Strengthen and improve the work of marriage and maternity physical examinations, popularize the knowledge of bearing and rearing better children, and improve the quality of new births. Strengthen the diseases prevention and control, and take concrete measures to protect the health and safety of the population. Implement the health promotion project and improve the health qualification of the public. Strengthen the education and training, establish ling-long education system of people, and constantly improve the population's moral and cultural qualification.

Utilize the population layout. Push forward the coordinated development of economy and society of the Beijing-Tianjin-Hebei metropolis circle and Bohai Sea Surrounding areas, form the regional industrial cooperative system with complementary functions and rational layout, increase the population capacity of the surrounding cities, and effectively channel the capital population. Speed up the industrial structure adjustment and upgrading within the city, and play out the guiding and allocation role of the industrial policy to the population distribution. Rigidly control the land exploration strength and construction scale of the established area in the central cities, combining the city function layout adjustment, improve the infrastructure of the new city and public service facilities, and promote the population to transfer to the suburban area. Stipulate the policies and measures to encourage the population transfer and guide the trans-regional rational flow of the population.

Actively respond to population aging. Seriously study the policies and measures in response to population aging, innovate the pension service model, strengthen the pension facility construction, improve the health service system for the elder people and promote their living quality.

Safeguard and promote the development of the legitimate rights and interests of the women and children. Stick to the basic state policy of equality between male and female, proactively push forward women's participation in management and the decision-making process of state and social affairs, safeguard women's rights and interest, eliminate gender prejudice and promote equal employment for women. Stick to the priority of children, and create a favorable social environment for the healthy growth of children.

Actively develop the endeavor of disabled people. Take the opportunity of the Paralympic Games, and carry out cultural and sports activities for disabled people. Carry out education, training and employment work for disabled people, strengthen the living and medical guarantee for them, and

improve the recovery service level for them. Strengthen the city's disability friendly facilities and take concrete measures to protect the rights and interest of disabled people.

(II) To build a resource saving society

Make great efforts in water resource saving. Adopt the most rigid water resource management system, comprehensively utilize administrative, legal, scientific, project, promotion and education measures, and push forward the construction of comprehensive water saving in the city. Adopt the fixed quota and indicator management of water resources, and emphasize water saving work in key areas, industries and departments. Pay attention to the adjustment of the water utilization structure, stabilize industrial water, push forward agricultural water saving, and increase ecological water utilization. Rigidly control the development of industries with high water costs, pollution and energy costs; promote and apply the water saving production craftsmanship and equipment; and improve the utilization rate of industrial circulating cooling water. Adjust the planting structure, promote the water saving technology of projects like micro-irrigation and dripping irrigation, and reduce agricultural water. Encourage the utilization of recycling water for city ecological water and agricultural irrigation water. Improve the water price system and utilize the differentiated pricing and fixed price surplus progressive pricing to promote water saving. Promote the utilization of water saving facilities and equipment compulsively, enhance the promotion of water saving and lead the whole society to foster the awareness and behavior of water saving.

Utilize the land resources with high efficiency. Stick to the intensive and compact development model, transfer the land utilization method, promote the intensive and high efficiency utilization and optimized allocation of land resources; by 2010, the construction land in the city will be controlled within 3,500 square kilometers. Strictly protect plow land and basic farmland, construct the protection of basic combined farmland, push forward the development and sorting of plow land, and guarantee the balance of construction land and farmland. Make overall management of construction land in both urban and rural areas, strictly control the newly added construction land, push forward the land resources integration of rural residences and independent industrial and mines, and vitalize construction land. Improve the intensive land utilization assessment indicator system, and play out the market's fundamental role to the allocation of land resources. Improve the land storage system, further primary exploration strength, and gradually push forward a paid utilization system of state-owned land for profit-making infrastructure land. Construct underground transportation, defense and public facility system, and rationally explore and utilize the underground space of the city

Improve energy utilization efficiency. Adopt a policy of energy saving first, and comprehensively strengthen the management on energy saving. Wash out and prohibit the development of high energy consumption industries and products, and shut down or transfer a series of small-scale high energy cost industrial enterprises. Make great efforts in pushing forward construction energy saving, adopt energy saving designs and standards in the new housing construction, and gradually conduct technical reforms on currently existing buildings. Government should take the lead in energy saving. By 2010, complete the energy saving reconstruction of government organs and office buildings; conduct rational energy allocation management to the large public buildings in the city. Promote fuel saving technology and

substitute products, and strengthen transportation energy saving. Promote the new energy saving technologies and products, and make key application of new technologies and products like variable frequency and speed, surplus heat utilization, energy saving elevator, energy saving home appliances, high-efficient power saving lighting system and tri-phosphor, fluorescent lights tubes as well as high-efficient and low pollution boilers. Complete the relevant laws, regulations and policies of energy saying, do research and stipulate the rational energy utilization assessment and management methods as well as energy saving compulsive standards, and promote the energy-performance contracting management of the enterprises; establish energy efficiency branding system, and adopt market access system. Strengthen the energy saving education and promotion, and increase the energy saving awareness of the whole society. Improve the energy utilization efficiency. Emphasize the promotion of industrial and construction energy saving. Make great efforts in promoting the low energy cost and clean production applicable technologies and equipments, fully recycle and utilize flammable gas and surplus heat in the production craftsmanship, and reduce the comprehensive energy cost of the industrial production. Greatly push forward the systematic energy saving, compulsively use energy saving material and equipment in the newly built public buildings and residents communities. The government should take the lead to make breakthroughs in public building, improve the energy supply facilities, method and management, expand the charging of heat, and obviously reduce the energy cost of heating, air-conditioning and lighting of buildings. Improve the energy management mechanism, sort out the price forming mechanism of energy, and form the rational ratio among various energy products. Establish an energy efficiency branding system, and adopt a market access system. Strengthen the promotion and education on energy saving and improve the energy saving awareness of the whole society.

(III). To build up an environmental friendly city

Prevention of air pollution: Rigorous and forceful measures should be adopted and total emission volume of pollutants should be controlled so as to greatly improve the quality of the air environment. Clean energy reconstruction of 3,000 units of coal-burning boilers under 20 tons in eight districts of Beijing must be completed before 2008, while desulphurization, de-nitrogen, and highly effective de-dust treatment projects of coal-burning power plants and large coal-burning boilers should be implemented in a bid to slash soot pollution. The fourth vehicle emission standard of the state will be executed comprehensively in 2008 to further improve automotive oil-burning standard, accelerate the phasing out of high emission automobiles and control the pollution conducted by vehicles. Relocation Project of Babaoshan Funeral Home should be put into force to meliorate the environment quality of surrounding area. Dust source regions in suburbs must be controlled actively so as to extend protective cultivating techniques, remove the bare ground in construction-completed district and the part linking urban and rural areas, as well as lessen the effect of construction and road floating dust on air quality in the city.

Prevention of water pollution: Water quality protection should be strengthened continuously towards the drinking water source, and integrated measures must be adopted to prevent the pollution of surface and underground drinking water made by various pollution sources. Water environment treatment has to be conducted in all drainage basins of the city, while the treatment of urban lakes and rivers has to be enhanced. The key construction lies in sewage disposal facilities and supplementary pipe nets. By 2010, the following should be realized: Water bodies of major urban rivers and lakes within the sixth Ring

Road must be cleaned, water quality of the water systems in central urban districts and newly-established cities should meet the national standard, and water quality of water systems in lower streams must be ameliorated obviously. Meanwhile, water pollution and water erosion in rural areas must be treated vigorously; dung treatment of large breeding enterprises in suburbs should be intensified through encouraging the utilization of bio-prevention and bio-pesticide, implementing formula fertilization with soil testing so as to decrease soil and water body pollution by pesticide and fertilizer.

Prevention of solid-waste pollution: the reduction of solid-waste sources and recycling utilization must be boosted, disposal of facility construction should be quickened, and prevention capacity and treatment level of solid-waste pollution have to be advanced. Twelve Sanitary Landfill Sites should be built up, in Anding of Daxing District, Miaocheng of Huairou District, Yangzhen of Shunyi District, among others. Five Sanitary Waste Incinerators should be established in Chaoyang, Gaoantun, Nangong, Asuwei, among others. In addition, nine sanitary waste disposal plants must come into being, in Gaoantun of Chaoyang District, Liulitun of Haidian District, Beitiantang of Fengtai District, Dongcun of Tongzhou District, among others. All these measures can greatly improve the bio-safety disposal capacity of sanitary waste in the city centre, newly established city, villages and towns. R&D and extension of shifting industrial solid waste into resources should be encouraged in a bid to increase the comprehensive utilization rate of industrial solid waste such as coal stone and gangue. Furthermore, construction of a treatment centre for dangerous wastes, a disposal plant of medical wastes and a radwaste warehouses must be completed so as to realize bio-safety treatment of dangerous waste, medical waste and radwaste in the whole city.

Prevention of noise, electromagnetic radiation and radioactive pollution: A Noise Reduction Project should be conducted in key road sections, so as to effectively dispose noise pollution sources such as road, railway, airport, construction, catering and recreation sites, as well as to create a quiet residence district. Local statutes and standards need perfecting for preventing electromagnetic radiation and radioactive pollution, while pre-warning monitoring and evaluation system of environment radiation should be built up.

Construction and protection of capital eco-system: Focusing upon combating desertification in the sand and wind source area affecting Beijing and Tianjin, reforestation of Yan Mountain and Taihang Mountain and forest protection program surrounding key water sources. Eco-barriers should be formed in mountainous areas. Emphasizing on greenbelt, green corridor along rivers and roads, comprehensive plain eco-treatment as well as construction of farmland and forest network, ecosystem integrated urban and rural areas has to be established by promoting key eco-function group and disposal district of sandstorm. Efforts should be made continuously to implement projects, such as enclosing hills to culture forest, comprehensive harness of small basin, comprehensive management of water source site and reservoir surrounding environment, so as to protect surface and underground water resources and prevent water erosion, debris flow and other natural disasters. Meanwhile, efforts should be strengthened to manage resources such as woods in thin mountain zone and mines, to strictly control the mining industry, to conduct eco-recovery towards destroyed mining areas, to extend eco-tourism. Aiming at bio-diversity protection, construction of wildlife natural marsh and other natural conservations must be quickened, natural river way and original vegetation should be protected to prevent invasion of

exotic species. In light of the principle of "who develops, who protects; who is benefited, that compensates," the eco-compensation mechanism must be formed. Efforts should be promoted actively to establish eco-counties, towns with beautiful environment and eco-villages with advanced culture.

Beijing's 11th Five-Year Plan: Part 3, Section 8 Written by Steve Tuesday, 28 March 2006 VIII. Scientific innovation and human resources development

In light of the principles of "abide by self-reliant innovation, highlight projects of priority, support development, and keep an eye on the future," innovative strategies centering on enterprises in Zhongguancun Science and Technology Park have been implemented in the capital, taking key fields and technologies as the stepping stone to improve innovation capabilities and overall competitiveness of industries, build the commanding point of knowledge innovation and the reservoir of technological innovation in the nation, and form a Beijing-based innovation system radiating around the whole country, so that by the year 2010, Beijing will be in the form of a city of innovation.

Column X: Independent Innovation and an innovation-oriented city

Independent innovation poses a contrast to such concepts as copy and introduction. By independent innovation, we mean independent innovative activities on the purpose of obtaining independent intellectual property rights and core technologies, including primitive innovation, innovation by integrated knowledge and innovation through digestion and absorption of other knowledge. Against the backdrop of economic globalization, the capability and level of independent innovation have become an increasingly important factor to affect a nation's ability to participate in international competition. It is China's national strategy to enhance the state's independent innovative capability. The innovation-oriented city means a city that is driven by such innovative factors as science, technology, knowledge, human resources, culture and systems. The city is able to help backward areas in its surrounding areas after it has made great headway. Beijing aims to play a leading role in the nation's independent innovative development and a pivotal point to connect the world's innovation network by centering on high-end innovation, powerful radiation, industrial upgrading and environment improvement, so as to develop into an innovation-oriented city at the primary stage and into a well-developed city by the year 2020.

(I)Build a command point of innovation in Zhongguancun.

According to the function allocation—one district and three bases—Zhongguancun science and technology park will be further strengthened, and great efforts will be made to turn it into a major vehicle in promoting technological progress and self-reliant innovation, so that it will be powerful locomotive in regional economic restructuring and economic growth pattern transforming, and become a service

platform for the high and new enterprises to "go abroad" for international competition and become a forefront in the battle for the world commanding point of high-technology industry, and lay a solid foundation for a world-class science and technology park.

Efforts should be made to enhance the innovation competence in the Park. Resources at home and abroad should be consolidated for innovation. With the enterprises as leading actors, colleges, universities and research institutes as the stage, innovation system will be established and enhanced, so that there would be major breakthrough in the self-reliant innovation inside the Park, and the Park could be a mainstay in the national innovation system. There would be incentives to attract major national science and technology infrastructure to the Park. According to the eleventh five-year plan, 10-15 national project centres, national key labs or similar institutes will be established to attract some national key R&D projects. R&D centres of multinational companies and operation centres of large-sized domestic enterprises should be encouraged to come. Efforts should be made to win over high-profile problem-tackling projects. The college Science and Technology Park's role as a transformer of science and technology results should be given full play. Establishment of national labs and national project centres in the Park should be facilitated. Some key projects in Zhongguancun should be recommended to the nation to be listed as "national projects of high priority", and some special bases should be recommended to be "model national industrial base." Major technological breakthrough should be made in the following fielding in particular: software, integrated circuit, mobile telecommunication, computer networks, photo electricity display, biomedicine and environment-friendly new energy. Secondary innovation on the basis of technology introduction and assimilation should be encouraged. Technology transfer, patent, standard and brand should be the top four strategies in promoting the construction of model Park for national intellectual property rights institution; the innovative actors should be guided in creating national and international standards, forming cooperative alliances and taking strategic commanding point. Targeting at building international brand, relevant marketing activities should be initiated to lend premium to the brand—"zhongguancun".

Pilot projects of the Park should lead the way in the reform. Priorities should be given to investing and financing facilitation platforms and investment guided and magnified institutes. Ways should be explored to combine technology with capital. Funds to guide start-ups in their investment should be established and development of start-ups should be supported. Small and medium sized enterprises should be encouraged to corporatize and IPO, in a bid to form a "zhongguancun market". Indirect financing channels would be expanded for SMEs, while Credit, insurance and loan should be combined in promoting business development, plans should be developed for corporation bond and financing trusts, and new ways of financing would be explored. Equities-exchange pilot program can be developed so that non-listed corporations can turn to securities companies to transfer share. At the same time, pilot programs for ownership mechanism reforms, equity incentive policies, and establishment of SME credit system should be carried out. Intellectual, technical and other factors are encouraged to participate allocation of profits and equities in legal ways.

An enabling environment should be established in providing services for the enterprises in the Park. Public human resources management on the part of the government should be improved to provide "one-stop" service combining the management of personal files, residence register and organizational

archives. Planning, constructing and guiding for incubators and entrepreneur-service centres should be enhanced to bring down cost and risk for the enterprises. Construction of productivity-enhancing centres and technology-transferring centres should be accelerated. The team of professional agents should be further developed to facilitate transformation of scientific results. Agent system for intellectual property-related matters such as patents and trademarks should be improved. The development of agencies should be promoted and standardized. Exchanges and cooperation with world-known Science and Technology Parks should be strengthened to cultivate an international business environment. Zhongguancun should have a culture of its own, and a philosophy to "abide by self-reliant innovation, serve the country through industry, encourage entrepreneurship, and allow for failure". A cultural atmosphere enabling innovation and entrepreneurship will be cultivated.

A development pattern of "a number of Parks in one district" will be further improved. Feature parks will be established according to their different functions. There would be business centre of Zhongguancun Science and Technology Park, west wing, life-science Park, Yongfeng industrial base, the second and third stage of Fengtai Park, environmental protection industrial Park of Tongzhou, Second stage of Software Park, Northwest wing of Electricity City, bio-medicine base of Daxing, and upgraded Science City of Zhongguancun Park. The infrastructure, cultural facilities, public amenities, landscaping, and eco-environment of the Park should be improved. A broadband truck network covering the whole district will be established, information network will be improved, the Park will be digitalized and the information service of the Park will be elevated.

(II)To make major innovative breakthroughs

The best human resources and the biggest amount of capital should be earmarked for R&D activities. Action should be taken where it is needed. When launching key science and technology, we should take a strategic perspective in order to break the technical bottlenecks and formulate crucial technical specifications, thus enhance the capital's innovation capacity.

Key technical development should be stepped up. Based on Beijing's strategic development and the need to serve the whole country, priority should be given to developing high value-added modern service industry, upgrading high-tech industry and boosting the competitiveness of the modern manufacturing industry. Attention should also paid to properly handling key technical development, making major breakthroughs in software, integrated circuit, mobile communications of new generation, computer and network, digital audio and video, optic display, biochemistry, pharmaceuticals, new energy resources and materials, which helps drive a quantum leap in other industries. Application research should also be stepped up in hope of achieving breakthroughs in nanotechnology, superconductive, stem cell and new energy resources, among other strategic high technologies.

Emphasis should placed on the application and integration of scientific findings. Commercialization of Patented technologies should be accelerated. While developing key industries, a good number of patented technologies should also be fostered. Priority should be given to conservation and application of resources, intelligent transport, construction of Olympic venues, air pollution control, disease prevention and treatment, water-conserving agriculture, food safety and work safety when it comes to

application of major technologies. It's advised to carry out technical popularization, project demonstration, introduction and consolidation to boost the city development, management and improve the livelihood.

Key disciplinary research should be properly handled, with an emphasis on material science, project science, information science, biological science, secure production, city development and environmental protection. Input for natural science funds should be increased in order to beef up the sci-tech reserves.

Citizens' scientific knowledge should be increased by spreading science and technology. A mechanism should be established where the government play a leading role while the whole society takes an active part. Attention should also be paid to the early completion of the new National Science and Technological Museum.

(III)To improve the local innovation system

The rich reserves of sci-tech and human resources should be brought into full play in the municipal development. Reform of the sci-tech promotion management system should be deepened while establishing and improving a brand-new partnership between business, academic and research institutions, a market-oriented system that gives the major role to the business community. It's aimed at improving Beijing's independent innovation capacity.

A brand-new innovation system should be set up which focuses on the formation of an independent innovation architecture and fostering innovative players featuring the business community. Efforts should be strengthened to set up a modern system to manage R&D institutions while encouraging the cooperation between institutions of higher learning, R&D centres and businesses in building market-oriented labs in order to share resources and information. Competent businesses are also encouraged to tap into the research methods of educational and R&D institutions and establish a specialized public technological platform so as to provide businesses with professional services in design, testing and examination. Businesses, R&D centres are encouraged to join hands in innovation so as to set up standard corporate alliance, technical alliance and industrial alliance to boost industrial development. Support should also be given to large-sized business in their efforts to team up with transnational companies in the construction of R&D facilities. Innovation initiative of various types of businesses should be aroused, in particular private businesses.

Innovation should remain open to the outside world. Ad hoc R&D zones should be built that are up to international standards in order to make the city attractive for transnational companies and large-sized domestic businesses to set up R&D and operation centres. Equal importance should be attached to the building of a comparatively independent technical system and the expansion of international cooperation in order to improve the business community's innovation capacity and international competitiveness.

Construction of business technical centres should be promoted. We should act according to the priorities of the urban industrial development and support the business technical centres that are capable of solving major industrial problems. By improving the innovation infrastructure, we wish to create

necessary conditions for businesses' constant technical innovation and build a series of significant well-planned business technical centres so as to make concrete contributions to the city's innovation system.

The independent innovation incentive system should be improved. The government's sci-tech input system should be reformed. The management mode that focuses on theme project should be adopted so as to let needs govern sci-tech development. R&D projects should be handled openly to determine the R&D units in charge so as to let all social forces contribute to sci-tech development. Various incentives should be standardized and improved, including performance evaluation systems that focuses on independent intellectual property rights, industrialized performance and constant innovation competence. Plans to commercialize patents should be carried out so as to improve the government's role in its investment. Relevant policies should be put into place, e.g. those related to taxation, finance and government procurement. Venture capital should be encouraged to give an impetus to independent innovation.

The impact of innovation should be strengthened. By well serving institutions of higher learning, R&D facilities and business headquarters in Beijing, we can create a synergy in innovation. Sci-tech cooperation should be boosted among Beijing, Tianjin and Hebei and the pan-Bohai region, with a focus on competitive in the sci-tech areas of Beijing. In addition, a batch of prioritized projects should be identified to promote the regional development. Technical trade market should be perfected to drive the application of technologies and encourage competent businesses to establish R&D centre in developed countries and engage in high-tech exports. Active participation in global sci-tech cooperation can help our businesses better integrate with global innovation systems.

Supportive conditions should be optimized. The policy and legal system should be improved to provide safeguards for independent innovation. Uniform platforms in technical trading, corporate financing and information sharing should be established so as to formulate well-developed innovation infrastructure. Professional service resourced should be consolidated that centre on R&D activities, corporate financing, credit guarantee, incubator transfer, legal services and market-based intermediary services. We should reinforce IPR protection and set up IPR assessment system while boosting the development of IPR intermediary agencies. Various infringements on IPR should be examined and cracked down upon in order to effectively handle IPR disputes and maintain a sound environment for innovation.

(IV)To tap into the talent pool in Beijing

The idea that talents are the first and foremost resource should be safely borne in our mind and the talent development strategy should be implemented in an all round way to innovate the mechanism for exploring and managing the talent pool of the capital and foster talents with innovating capabilities so as to build Beijing into a capital with plenty of vibrant and promised talents.

The talent fostering program should be implemented. More efforts should be made to improve the capacity building for talent resources to greatly improve the capabilities of various types of talents in study, practice and innovation. The focus should be on high-end talents. Efforts should be made to

improve the capacity building for talent resources in an all round way and encourage the enterprises to forge alliance with universities and institutes of various types. Endeavors should also be made to foster advanced talents in public administration and technologies, managerial professionals and talents of international background. The focus should also be on further expanding green path for attracting talents to actively bring in professionals with proprietary intellectual property rights and master cutting-edge technologies. Efforts should also be made to strengthen the training for advanced technicians and rural applied professionals and improve the competence of laborers in a comprehensive way so as to meet the needs of social and economic development for professionals.

The mechanism for managing talents should be innovated. Efforts should be made to create a system and policy environment for distinguished talents to stand out and give full play to their caliber. The principle of science, equality, competition and elimination should be followed to establish scientific mechanism to this end. The market should be encouraged in the allocation of human resources to mobilize the reserves of human resources and properly guide its orderly flow. Incentive mechanisms and policies should be perfected so as to favor key and excellent talents. Management of talents should be properly classified in order to improve systems relating to individual application, uniform social evaluation, corporate discretionary recruitment and transparent evaluation. Talent assessment means should be upgraded to enhance talent attraction polices and step up the construction of entrepreneurial parks for students overseas. Efforts should be made to introduce talents in dire need. Emphasis should be put on fostering, training and selecting talents in practical work in order to provide enough talents for sci-tech innovation, economic development and social progress.

Beijing's 11th Five-Year Plan: Part 3, Section 9 Written by Steve Tuesday, 28 March 2006 IX Institutional reform and managerial innovation

Based on the general demands of improving the socialist market economy, we should start with tackling institutional bottlenecks. Priorities should be given to key areas and linchpins and boosting institutional innovation so as to provide institutional safeguards for the execution of the scientific concept of development.

(I)To deepen reform of administration system

Priority should be given to the reform of administration system when deepening the reform drive. We should follow the principle of simplification, unification, efficiency and coordination between decision-making, execution and supervision in the reform process. We should establish the administration featuring scientific decision-making, matching powers with duties, coordinated operation and effective supervision in order to build a competent, responsible and efficient government.

Transformation of government functions should be deepened. Separation of government from enterprises, capital, specific matters and intermediary market agencies should be promoted in order to simplify and standardize the administrative review process. While improving economic regulation and

market supervision, attention should also paid to discharging the government duties in compulsory education, public health, public safety, social security and so on, so as to enhance the government's management and public services

Investment system reforms are to be reformed. We should earnestly implement the review and registration system for business investment projects while further perfecting managerial methods, straightening out processing procedures, strengthening follow-up supervision and setting up a well-coordinated and efficient project management system with a clear definition of responsibilities and duties. The government's role should be strengthened to manage investments and make investment decision-making more scientific and democratic. The proxy system should be vigorously implemented to manage non-profit government investment projects while establishing and improving the investment accountability and evaluation systems. The bidding system should be popularized to establish and improve the supervision and coordination mechanism, unified expert database for evaluation, information disclosure system and industrial self-discipline mechanism to regulate bidding activities.

Restructuring of state-owned institutions and transformation of guilds should be separated. We should act according to the principle of separating the government from business affairs and management from implementation to progressively remove the direct management's duty to interfere into business operation. It's advisable to start from well-prepared departments to conduct the reform of public institutions in a secure and active manner. The development and reform of guilds should be accelerated, based on the principle of separating the old from the new in order to straighten out the management system. Emphasis should be put on building new guilds and transforming old ones in order to establish a guild network that satisfies the demands of market economy and complies with the capital's economic stature.

The government administration innovation should be sped up. Administration by law, government by law should be boosted to earnestly improve the government's competence to fulfill its duties according to law. Other systems should also be strengthened, i.e. expert counseling, information disclosure, public report and hearings, decision-making accountability and post decision-making evaluation, which is aimed at making the decision-making process more scientific and democratic. E-government building is to be reinforced to facilitate allocation of resources, information sharing, business coordination and separation of government from business affairs while speeding up the innovation of administration mode and means. We should work to standardize the performance of government, public servants and improve administrative efficiency so as to reduce the costs. In addition, we should establish a rational comprehensive system for economic and social development evaluation and a rating scheme for performance review.

(?)To arouse the initiative of major market players

We should adhere to the economic system that retains a dominant position for the public ownership while developing diverse forms of ownership side by side in order to facilitate the ownership reform, enhance the government's regulation of the national economic and realize a faster and better development of the non-public sectors.

The layout and structure of the state-owned enterprises should be adjusted. An orderly flow of the state-owned capital is to be improved to direct the flow of state-owned capital to the crucial and key sectors in the national economy and the large-sized or super-sized enterprises. It's expected to divide enterprises and institutions directly under the municipal State-Owned Assets Supervision and Administration Commission into investment companies, majority share holding companies, conglomerates or capital management businesses while basically finishing the strategic adjustments of the national economic layout and structure by 2010. In addition, weak players in common fields should be eliminated through fair competition by then.

In terms of the sate-owned assets supervision and administration system we should improve the accountability system relating to the budget of the state-owned capital, corporate performance review and major decision-making errors while ensuring the equity rights of investors and improving operation and oversight efficiency. The SOE executive management system should be restructured and revamped so as to speed up the market-based recruitment of managerial talents. The supervision system for the non-profit state-owned assets should be further developed and gradually incorporate the state-owned assets of the public institutions into its supervision.

As for SOE reform, we should step up the reform process. It's expected to generally complete the shareholding reform of the large and medium-sized SOEs in Beijing. We should actively guide the inflow of foreign capital and private funds into the restructuring, reform and upgrading of SOEs while vigorously developing a mixed ownership economy. We should follow the rule of openness, transparency and standardization in regulating SOE restructuring, ownership transfer in order to steadily conduct the liquidation process and safeguard workers' legitimate rights and interests. In addition, the corporate legal person administrative structure and the system of cadre board meeting should be improved.

The reform of monopoly industries should be strengthened, such as the water, electricity, natural gas, heating supplies among other public infrastructure and utilities so as to make the market cultivation and operation more open and boost fair competition. The range and scope of franchises, financing, bidding and proxy system should be broadened while promoting the opening-up of the monopoly industries and introducing competition system. Government's role should be strengthened in the general plan of urban infrastructure and public utilities as well as in market supervision. In addition, the transformation of the government from a direct manger to a market supervisor should be accelerated.

Non public economic sectors should be promoted. Market access is to be given to all enterprises with legal registration. We should continue removing and revising policies that hinder the development of non public economy in order to grant equal treatment to private businesses. Besides, the funding channels for non-public enterprises should be diversified with an emphasis on solving financing difficulties.

SME development should be bolstered. The construction of innovation training bases and entrepreneurial service centres should be stepped up so as to offer SOEs better technical guidance and counseling services. Special government funds should be put to best use while providing guidance for

private fund. Emphasis should be put on supporting SMEs' projects relating to financing guarantees, entrepreneurial guidance, independent innovation, clean production, international cooperation and personnel training while fostering commercialized SME service systems. The SME portal development should be accelerated to realize information sharing between the city, districts and counties. SME entrepreneurial guidance fund should be earmarked to encourage investment in businesses. The construction of SME financing service platform should be facilitated to help capable SMEs tap into the capital market for funds and construct an open financing system for them.

(III)To promote the development of the market system

We should promote the construction of modern market system with an emphasis on the factor market so as to improve the marketplace.

The development of the factor market. The land market is to be standardized. The bidding, selling and registration system of the commercial land should be improved while strictly allotting the land area and standardizing agreement based land use system. The scope of transfer pilot projects of the collectively-owned land should be broadened to gradually include the land leasing market into its jurisdiction. The capital market should be boosted to support SME's financing efforts while trying to build China Beijing Equity Exchange into a national equity trading centre. Factor markets such as technologies and labor should be further improved while standardizing intermediary agencies of various kinds to perfect the pricing mechanism for commodities and factors.

The development of a credit system. The institution and working mechanism of the social credit system should be established so as to promote the social credit system development in a planned and progressive manner. The credit rating system should be based on the corporate credit information system and individual credit information system, whose development should proceed from enhancing the credit recording relating to taxes, contract fulfillment and product quality. The collection, use and management of credit information should be regulated in order to foster and develop a number of credit service intermediary agencies in good faith. We should establish rounded credit management system that rewards the good and punishes the bad. Public campaigns among the party bodies, government agencies, service industry and social groups should be promoted to spread good faith and create a bona fide society.

Improved market oversight system. Laws and regulations relating to market access, behavior oversight and consumer rights protection ought to be revised and improved in light of the capital's realities in order to create a well-coordinated market oversight network featuring administration by law, industrial self-discipline, media supervision and mass' participation. The market order should be earnestly straightened out and rectified, i.e. cracking down on the production and sale of fake goods, business fraud and IPR infringement, in order to effectively safeguard fair competition and trading security. The roles of the compulsory product quality supervision system, drugs and medical equipment testing institutions and technical review system as well as foul disease prevention and treatment system should be strengthened in order to safeguard people's health and safety. The upgrading of wholesale

commodity markets should be vigorously promoted while building a connected market emergency alert system with neighboring areas to maintain order in the marketplace.

(IV)To improve the mechanism of economic adjustments

Perfection of public fiscal system. The fiscal expenditure structure should be optimized while the separate taxation scheme among the municipal, district and county levels improved. The scope of public fiscal safeguards should be properly defined, and the inputs to education, culture, public health and social security are to be increased. We ought to improve the fiscal transfer payment to provide more support for laggard areas and weak fields. Reform of departmental budgets and national budget management system should be further deepened to boost the efficiency of fund use. Meanwhile, efforts should be made to revamp and perfect the government procurement system and standardize the management of land lease proceeds.

Pricing reform is to be deepened. Market-based pricing system of resources should be promoted while progressively formulate a pricing mechanism that fully reflects the market status and the extent of resource shortage. Market should be given full play in the allocation of resources, conservation of resources and ecological protection through price changes. The relation between market regulation and public interests should be properly addressed. Therefore, we should determine the rates of water, electricity, natural gas and heating in a cautious manner. Democratic decision-making systems like government pricing, expert examination, and briefing mechanism should be further enhanced to make them more rational and democratic. Meanwhile, it's important to strengthen the pricing supervision and review in order to maintain the market order and create favorable market conditions. The pricing supervision should be improved for alert and control to properly guide the market and consumption.

Adjustment of economic operation ought to be improved. Emphasis should be put on the coordination of demand and supply in coal, electricity, fuel, transport and natural gas. Interactive coordination should be boosted to transform the economic operation from emergency regulation to institutionalized autonomic regulation. Pricing mechanism, standard specification, policies, regulations and information disclosure should be brought into full play to maintain the balance between market demand and supply. Information supervision and coordination system ought to be further improved in order to enhance the supervision of economic operation and emergency scheme in a bid to safeguard Beijing's economic stability and safety.

Beijing's 11th Five-Year Plan: Part 3, Section 10 Written by Steve Tuesday, 28 March 2006 X. Regional cooperation and opening up

Full play should be given to the advantage of Beijing as the capital to proactively participate in development of the region of Beijing, Tianjin and Hebei province as well as the Bohai rim area and improve the quality and degree of opening up so as to formulate the new situation of internal cooperation and opening up in a concerted, interactive and win-win manner.

(I) To deepen the cooperation in the region of Beijing, Tianjin and Hebei

The overall deployment of the state for development of the metro-cluster region of Beijing, Tianjin and Hebei should be put in place to give full play to the radiating or exemplary role of the core cities to stick to the combination of leading role of market and the boosting forces of the government and actively innovate cooperation mechanism so as to promote coordinated development and common prosperity in line with the principle of "coordination in a concerted manner, mutual benefit and reciprocity, highlighting the priority and proceeding from the reality". The focus is on boosting cooperation in the following fields:

Column XI: The city circle of Beijing, Tianjing and Hebei

According to the state's planning on the city circle, the city circle of Beijing, Tianjin and Hebei is composed of the two municipalities of Beijing and Tianjing and also eight cities in Hebei Province, namely Shijiazhuang, Tangshan, Baoding, Qinhuangdao, Langfang, Cangzhou, Zhangjiakou and Chengde. Covering an area of 185,000 square meters and having a total population of 73.89 million at the end of 2004, this region is of strategic significance in China's political, economic and social development. As China's political and cultural center that boasts a large population and frequent economic activities, this region is a major base for the nation to take part in the global economic competition and the first to achieve modernization, and at the same time, it will be an important base for the nation to get integrated with the world.

To adjust the industry structure. The path of developing high-end industries should be pursued and efforts should be made to develop headquarters economy with the focus on R&D in technology, core manufacturing and marketing services to promote labor division among industries in the region and upgrading of their structure. Efforts should also be made to accelerate development of Beijing Economic-Technological Development Zone and adjacent areas to promote the formation of industry belt in the region covering Beijing, Tianjin and Tangshan. The mode of Shougang Group's relocation and adjustment should be further explored to catalyze the industries conflicting with the requirements of the capital's functions to made adjustments or shift into other industries. Efforts should be made to actively boost the development of the New Seaside Region and Caofeidian Industry Park.

Construction of communications system. The regional communications plan for the metropolis circle of Beijing, Tianjin and Hebei should be proactively carried out to support the implementation of major projects of Jing-jin inter-city railway-based transportation and phase III of reconstruction of capital airport, accelerate the building of the Jing-Cheng, Jing-Bao and Jing-Ping express ways and do a good job in the initial phase of projects of Jing-Shi and Jing-Qin inter-city passenger railway-based transportation. Efforts should be made to actively participate in the development of the oceanic shipping system covering the cluster of hub harbors at the Bohai Bay to promote the improvement of the regional transport system. Efforts should also be made to actively boost the development of city and town

corridors between Beijing and Tianjin, Beijing and Tangshan as well as Beijing and Shijiazhuang, and deliver guidance in coordinated development between cities and regional spatial structures.

Resource exploration and utilization. Cooperation in energy exploration should be strengthened and enterprises in Beijing should be encouraged to participate in the exploration of power and coal in the adjacent areas and exploration and utilization of new energies and renewable energies to support the building and transformation of North China Power Grid and enhance the degree to which the regional energy supply can be guaranteed. Efforts should also be made to promote the implementation of the inter-valley water diversion project of "bringing water of the Yellow river into Shan'xi and Beijing," and cooperation in commercialization of seawater freshening in Tianjin.

The eco-system and environment conservation. Water resources conservation and water environment conservation should be strengthened and dedicated funds should be allocated to support the building of the water conservation works at the upstream of Miyun reservoir and Guanting reservoir, conservation of water environment and development of water-saving industries. Efforts should be made to continue the cooperation in eco-system conservation and implement the project for harnessing the sources of the sand storms in Beijing and Tianjin and promote the development of eco-based industries in region covering Beijing and Zhangjiakou as well as area covering Beijing and Chende and the building of the eco-shield at the mountains of Yanshan and Taihangshan.

Column XII: The project of sand control in Beijing and Tianjing

In order to set up a protection line for the ecological environment in the capital city and improve the ecological environment in Beijing, Tianjing and their surrounding areas, the state launched the sand control project in 2000, covering Beijing, Tianjing, Hebei, Inner Mongolia and Shanxi, with a total investment of 50 billion yuan (\$6.25 billion). According to this project, it is planned to return 3,943 mu (263 hectares) of cultivated land to grasslands and forests and to build up 7,416 mu (494 hectares) of forests by the year 2010. By the end of 2004, a total of 6,394 mu (426 hectares) of land was well treated in Beijing and Tianjing, with supportive water conservancy facilities being built in nearly 30,000 points and over 20,000 people being moved to other areas for the sake of ecological environmental improvement.

After five years of effort, the vegetation coverage in the above-mentioned places has grown up by 20 percent, greatly improving the ecological environment in these places. The vegetation coverage in the improved areas in Hebei Province has increased by almost 15 million mu (1million hectares) in the past five years since the project was launched, the grass yield in Inner Mongolia's improved areas up by 0.5-3 times. Shanxi Province has accumulatively improved over 6.6 million mu (440,000 hectares) land and has build up a 1.95 million mu (130,000 hectares) shelterbelts along the sandstorm stricken path to Beijing.

Social development in this region. Full play should be given to the advantages of the capital to expand exchanges and cooperation in science and technology, education, culture and health, and encourage running schools or research centres by joint efforts. The regional public health and disease control and prevention regime should be strengthened and the system guaranteeing the regional food safety should be constructed. Human resources exploration has also to be promoted. Those efforts are aimed to better serving the goal of driving up the level of regional social development.

Innovations in regional cooperation mechanism. More efforts should be focused on the building of mechanisms for information exchanges, market development, negotiation of factors, coordination by policies to create favorable conditions and environment for in-depth regional cooperation. Cooperation between ports and in logistics should be carried out to promote facilitation of trade and "non-barrier" tourism to contribute to the formation of unified and open market.

(II)To expand domestic economic cooperation

To actively participate in developing western China. Cooperation in resources, environment, industries and other fields and energy exploration and building of infrastructure in western China should be actively engaged in. The faster application of findings in science and technology in western China should be encouraged. Efforts should be given to support the development of undertakings in western China such as education, public health, medical service, culture and tourism. Closer exchanges between Beijing and western region in personnel, technology and information should be promoted. Complementary advantages, mutual benefit and reciprocity should be stuck to and economic cooperation with other regions should be well conducted.

To do well in matched support. The deployment of the central government should be unswervingly carried out to continue delivering matched support to destitute Banners (counties) of Inner Mongolia, Lhasa in Tibet, Xinjiang and Badong in Hubei province. During this process, combining short-term goals and long-term goals, transfusion and blood producing as well as assistance and cooperation should be adopted continuously to concretely put in place support and assistance.

To strengthen trade and economic cooperation with Hong Kong, Macau and Taiwan. Advantages of those regions and the mainland should be given play to explore and set up multi-tiered cooperation mechanism based on enterprises, linked by industrial organizations and actively promoted by governmental agencies. Efforts should be made to proactively implement CEPA and hold Beijing-Hong Kong trade fair, Beijing-Taiwan Science, Technology Forum and other activities of significance to bring the two sides closer trade and economic exchanges and promote the common development.

(III.) To enhance the degree of opening up

To actively adapt to the new trend of opening up, accelerate the shifting of growth pattern of foreign trade and improve the quality and effectiveness of foreign investment attracted to significantly enhance the degree of the development of Beijing's opening economy.

To shift the growth pattern of foreign trade. Reinforcement between the growth of trade and the progress of development of industries should be taken as the principle to actively promote the building of export-oriented production system, optimize the mix of export commodities and improve the quality and effectiveness of foreign investment. Full play should be given to the competitive advantages of the capital and export of products with proprietary intellectual property rights or proprietary brands should be expanded. Big exporters and processing enterprises with strong matching capabilities should be supported to move up the industry chain and engage in more intensive processing to promote the transition or upgrading of processing based trade. Efforts should be made to develop trade in service to continually drive up the corresponding level and quality. Work in "coordinated clearance" should be actively promoted by improving clearance environment so as to improve the efficiency with which the enterprises are cleared by customs. The monitoring system for foreign trade should be made fully-fledged by improving its capabilities of handling trade disputes to safeguard the legitimate rights and interests of businesses of Beijing.

To make better use of foreign investment. Efforts should be made to continue optimizing the investment environment, utilize foreign investment actively and efficiently and more strictly control risks in foreign debts to serve the development of high-end industries of the capital and try to drive up the actually used foreign direct investment accumulatively to \$14 billion. Guidance in sectors and areas where foreign investment should be put should be strengthened to guide the foreign investment into the modern service sector, the modern manufacturing sector and the modern agriculture sector. Attention should be paid to introducing advanced technology, managerial experience and highly competent professionals. The focus should be on the batch of key foreign investment projects to give full play to their agglomeration effects and exemplary effects and enhance the level of development in industries and functional zone. Great efforts should be made to promote a headquarters economy to proactively attract multinationals to locate their headquarters, R&D centres and clearing centres in Beijing and win its opportunity of harboring branches and headquarters of international organizations to enhance its international competitiveness and clout.

To implement the "Go Global" strategy. Businesses with strong competitiveness will be encouraged and assisted to stride into international market and take part in international competition and a batch of Beijing based multinationals with enormous international reputation should be nurtured. Businesses with ripe conditions are encouraged to contract projects abroad and labor exports to expand reciprocal cooperation and common development. Export of copyrights and cultural products are encouraged to enhance the clout of national culture. The coordinating mechanism for and risk control in overseas investment should be improved.

(IV) To strengthen exchange and cooperation with the international community

Full play should be given to the role of international exchange centre to actively carry out international exchanges. More efforts should be made to improve service for and management of international organizations, diplomatic missions to Beijing, news institutions and business agencies. International events of clout should be organized carefully and non-governmental exchanges with other people should be carried out to extend various conveniences for expatriates residing, working or studying here for short-term to concretely turning Beijing a more international-oriented city.

Beijing's 11th Five-Year Plan: Part 4

Written by Steve

Tuesday, 28 March 2006

Part IV To do a good job in hosting the 2008 Beijing Olympic Games

Hosting a distinctive and high-level Olympic Games successfully is the solemn commitment made by Beijing to the world as well as one of the key links in the strategic vision of "New Beijing, Great Olympics." The concept of "Green Olympics, High-Tech Olympics and People's Olympics" should be actively put into practice and efforts of the whole municipality should be concerted to do a good job in preparation for the Olympic Games and during the Games in accordance with the idea of "frugal Olympics" to comprehensively enhance the work of the capital in various aspects.

I. To push forward the initial preparation for the Olympic Games in a down-to-earth manner

To complete the building of the Olympic Venues and the relevant matching infrastructures. The requirements of projects for relevant priority work prior to the Olympic Games whose deadlines are listed upside down and the principle of paying equal importance to "safety, quality, deadline, function and cost" should be strictly followed to finish building quality Olympic Venues and relevant matching infrastructures on time and accelerate the building of infrastructures related to the Olympic Games. By the end of 2007, 59 municipal roads and 5 bridges should be ensured to be open to traffic with the corresponding integrated pipelines for municipal utilities built simultaneously. Supervision over Olympic projects should be strengthened to lay a good foundation for hosting the Olympic Games successfully and smoothly.

Column XIII: Stadium construction program for the 2008 Beijing Olympics and the work schedule

Stadium construction for the 2008 Beijing Olympics include 31 projects, among which, eleven are to be built, such as the National Stadium, the National Swimming Center, Wukesong Indoor Stadium, Olympic Water Park, eleven are projects concerning extension or renovation, such as Olympic Sports Center Stadium, Yingdong Natatorium, Olympic Center Stadium and the Capital Gymnasium and nine are temporary buildings, such as Wukesong Baseball Field, the Olympic Green Hockey Stadium, Chaoyang Park Beach Volleyball Stadium.

The construction schedule for major Olympic stadiums is as follows: to finish the principal projects and some decoration work by 2006; to check the completed projects and have several test matches in 2007; to carry out the examination of all the stadiums one or two months after the test matches in 2008 and submit the result to the Olympic Committee of the 2008 Olympics.

To put in practice the concept of Science and Technology based Olympics and Green Olympics. The application demonstration project for intelligent communication system will be implemented at the central area of the Olympic Park. The solar energy photovoltaic electricity generation technology is encouraged to be applied in landscape lights around the Olympic Venues. The heating and cooling systems adopted in the Olympic village are to be powered by a thermal pump system using reclaimed water, and domestic warm water will be provided by solar energy heat collecting technologies. In building the Olympic forest park, the gray water utilizing systems will be equipped with the park to extensively adopt technologies in using rainfall and floodwater. Squares, waterscapes, green plots and other landscaping projects will be built in the Olympic central area.

Various working plans and plans in response to emergency. Various Olympic dedicated action plans should be promoted and working plans and plans in response to emergency in security, medical service, communication coordination, power supply, TV broadcasting and food safety and the configuration and commissioning of the relevant equipment and devices should be completed. Quality training should be rendered to various volunteers.

Efforts should be made to promote an Olympic economy. The plan for development during the market phase of the Olympic Games should be well organized and implemented and efforts should be made to do a good job in various promotions for Olympic economy and expertly plan, package and promote a troop of Olympic economy projects. A service platform for Olympic economy should be improved to render authoritative, timely, convenient and quality service facilitating various types of domestic and foreign enterprises and investors to have access to the market in Beijing and become players in the field of Olympic economy.

II. To organize and arrange affairs the Olympic Games carefully

Various events should be organized carefully. Various events on the Olympic Games should be carried out according to schedule to ensure that no error occurs. Art-of-state communication, accommodation, medical service, security and organizational initiative will be offered to have athletes and coaches from various countries and staff for the Games, journalists from different media and the massive audience from both home and abroad enjoy convenient, swift, courteous, considerate and effective services in time. Efforts should also be made to do a good job related to Paralympics.

To hold superb large scale celebration. Efforts should be made to carefully organize large scale cultural events such as the opening ceremony, the closing ceremony and torch relay with the theme of "One World, One dream" to create secure, harmonious, cheerful and heated atmosphere and add stroke of Chinese culture to Olympic activities.

To safeguard the secure operation of Beijing. Putting Olympic Games first and ensuring the smooth progress of the Games. During the Olympic Games, endeavors should be made to comprehensively

coordinate the fundamental operational elements for city such as energy, transportation, security and communications to ensure the normal operation of various functions of Beijing and guarantee the needs of the citizens in food, medical service, water supply, power, gas, transportation and communications and etc. so as to provide favorable social environment for the Olympic Games.

To improve urban security emergency response system. Plans in response to various emergencies should be put in place to prevent from happening and handling various emergencies. The focus is on preventing risks such as natural disasters, destruction of urban infrastructure and suspension of TV signal transmission as well as breakdown of equipments to ensure the smooth progress of the events and security of Beijing during the Olympic Games.

III. To maintain the stable development of the post-Olympic period

The pace and scale of urban development should be rationally arranged to do a good job in utilizing the venues after the Olympic Games and follow-up development of Olympic brands and actively guard against and evade the potential risks of dipping the bottom after the Olympic Games so as to keep stable and sound development of the society and economy.

To pay attention to follow-up utilization of the Olympic venues. Efforts should be made to actively usher in well-know domestic or foreign institutions and businesses to join hands in develop Olympic venues and relevant functions of the matching facilities and sponsoring various theatrical performance, sport events and large scale conferences or exhibitions to achieve expeditious and continual use of those venues, boost the development of industries of commerce, catering and hospitality in adjacent area and promote the formation of Olympic central area for cultural and sports and functional zones areas for exhibition and tourism.

To intensify efforts in follow-up development of Olympic brands. More efforts should be made to publicize and promote the Olympic brands and do a good job in continual and in-depth development of Olympic brands and enhance the international clout and market competitiveness of the manufacturers and the brands. The Olympic themes should be adopted to develop new projects in sports, culture and tourism to nurture new driving forces with Olympic features.

To make good adjustments in economic development. More efforts should be made in the dynamic surveillance and analysis of post-Olympic economy, deliver effective guidance in investment and consumption with clear-cut recipients and initiate the development of focal New Towns in an orderly manner to maintain the stable economic performance prior to the Games and after the its conclusion.

Column XII: The Olympic Economy and its effect

The Olympic economy includes all kinds of activities of economic effects or economic values, which happen when the Olympic Games approaches or after it ends. The overall impact and influence of the Olympic Game itself compose important basis for the development of the Olympic economy.

This economy has in the past 30 years evolved into a unique economic phenomenon in the world's economic development? Based on what has happened to the host cities of Olympics, this economy is attention economy, which will help the host city to achieve a booming economy in a certain period of time. The Olympic economy is brand economy, as a series of famous brands will come into being thanks to sound operation. This economy is also kind of advantage-taking economy, as it will greatly promote the economic and social development of the host city, acting as an accelerator or catalyst for the city's progress. The Olympic economy is endowed with great potential to promote economic growth due to its unique aggregation, fission and radiation effects.

Beijing's 11th Five-Year Plan: Part 5, Section 1 Written by Steve Tuesday, 28 March 2006 Part V. To launch the development of the focal New Towns

The development of the New Towns is a significant measure aimed to divert and adjust in an orderly manner the population and share part of the function of the central city to maintain the social and economic development of the capital in a sustainable and sound manner. The development of three focal New Towns, Shunyi, Tongzhou and Yizhuang, will be launched during the "Eleventh Five Year Program" in compliance with the requirements on the overall urban planning.

I. The Overall requirements

The fundamental principle: Development of the New Town should meet the requirements of the scientific approach to development to make planning, develop the three New Towns of high standards and provide quality support and meanwhile the following principles should be factored in:

To highlight the leading positioning role. Zoning in function and coordination in space should be well done in line with the function and development orientation identified in the overall urban planning to form distinctive urban morphology with perceived features. The focus should be on take up industries and population shifted out of the city centre and to urbanize the local people.

To highlight the innovation in approaches to development. Attention should be paid to economical use of resources and conserving the ecological system to boost the development of recycling economy and to build resource saving and environmentally friendly cities. A human centric approach should be taken and history as well as culture should be respected to explore and unveil the cultural connotations of New Town. More efforts should be made in urban design to improve landscape and environment of New Towns so as to enhance the quality and attractiveness of New Towns.

To highlight coordination and support among the industries. Competitive industries should be developed, relevant industries should be guided to cluster and the development of industries should keep pace with the construction of the cities so as to continually boost economic growth and employment, allocate public service facilities rationally and construct favorable human habitat.

To highlight rational arrangement in space and time. "Unified arrangement for municipality on the whole and regional coordination" should be observed to rationally identify sequence of the development projects and the key projects among them. The priority in development should be identified according to the realities in terms of the industries, construction land and population to achieve construction in sustained manner and gradual progress and avoid scattered investment, extensive development and relatively low degree of intensive use of land.

Major goals. During the "Eleventh Five Year Program," the planning of the New Towns and their urban design should be done extremely well in accordance with the overall guideline of "laying a foundation in 5 years, formulating the system in 10 years and witnessing the results in 15 years" to formulate the initial special structure of the New Towns' function zoning. The convenient and time-saving communication system linking the New Towns and the central city should be built to preliminarily form the skeleton of the New Towns; the mode of development should be innovated to set up the effective mechanism for the growth and building of the New Towns.

Sequence of development. During the "Eleventh Five Year Program," the development of focal New Towns should be divided into two phases generally: The phase of preliminary preparation prior to 2008 and the phase of comprehensive launch after 2008.

During the phase of preliminary preparation prior to 2008, the focus should be on preparing various detailed plans, formulating the relevant standards and rules, researching and defining the implementation policies for the New Towns to do a good job in work related to establishing the mechanisms for implementation and operation. The focus should also be on coordinating and arranging well projects for significant regional infrastructures and allocation of key industrial projects to make proper preparation for strategic projects and land reservation.

During the phase of comprehensive launch after 2008, full play should be given to the leading role of public investment to build a batch of critical infrastructures and key projects with exemplary effects and basically set up the communication system linking the infrastructures in New Towns and the central city. Efforts should be made to concretely improve the human habitat and the managerial and service-rendering capabilities so as to lay a solid foundation for accelerating diverting the function and population of central city and formulate the framework for progress of the New Towns.

Beijing's 11th Five-Year Plan: Part 5, Section 2 Written by Steve Tuesday, 28 March 2006 II. Shunyi New Town

Function positioning. The new town will be built as an airport hub connecting China and other countries. As an aviation industry centre serving the whole nation and facing the world, as well as a modern manufacturing base, the aim is to develop the aviation industry and modern manufacturing so as to lead the development of international exchange, exhibition operation and other functions.

Scale planning. Shunyi New Town is consisting of central district, airport district and Hedong new district. At present, the new town covers an area of 44 square kilometers, among which 18 square kilometers construction land can be renovated. By 2010, its population will be controlled within 500,000, and the scope of urban construction land will be restricted at 60 square kilometers (excluding airdrome and surrounding areas). By 2020, its population will be restrained within 900,000, and the size of urban construction land will be limited at around 103.9 square kilometers.

Space orientation. The space development layout of "two axles, three districts, and multiple communities" can be led to take shape through adopting the development pattern guided by public traffic, optimizing and perfecting the functional layout of central district and air port district, and enhancing the functional allocations among districts and communities. Hedong new district is both the standby land for the development of new town and the reserve space for its long-term development.

Short-term target. New town, featuring "riverside, zoology, international, energetic, habitat", should preliminarily come into being, focusing upon constructing function zone of aviation economy in a bid to vigorously create new growth point for capital economy via developing aviation industry, high-tech industry and modern manufacturing. Meanwhile, its emphasis also lies in the construction of central district and air port district so as to further optimize the function layout of the town and make achievements of constructing Shunyi New Town, Mapo Community and various functional districts. Furthermore, its stress must still be given to the construction of various infrastructures such as track transportation and public traffic hubs, and comprehensive eco-environment to improve the level of social public service and guarantee the successful holding of Olympics water sport items.

Construction keystone. Industrial supporting capacity and comprehensive economic strength of the new town have to be strengthened through the constructing of expansion project of capital airport, Olympics Water Park, and quickening the development of function districts, such as air port industrial park, air port logistic base, air port tariff-free logistic centre (B Type), Guomen Business District, automobile production base, as well as implementing key programs such as (new) New Tower of China International Exhibition Centre, Phase III Expansion of Hyundai Motor, Shougang cold rolled sheet, customs clearance of aviation freight, electric customs port. Led by transportation construction, the comprehensive service function of the new town should be upgraded via reinforcing various municipal infrastructures, public service allocations and town development. Efforts must also be made to intensify environmental protection and integrated ecological construction, prioritizing the integrated treatment of

Chaobai River and development of Wenyu River ecological corridor, so as to improve the habitat environment quality in the new town.

Beijing's 11th Five-Year Plan: Part 5, Section 3 Written by Steve Tuesday, 28 March 2006 III. Tongzhou New Town

Function positioning. Tongzhou New Town is one of the new towns that have been given priority to. It's not only the new town with comprehensive service affording sustainable development facing the region, but also an important base where Beijing participates in cooperation development of Bohai Sea Rim region. It establishes regional service centre, proceeding from east development belt, serving capital and facing Bohai Sea Rim economic circle; it builds up culture industrial base, serving capital cultural centre, concentrating modern cultural resources and carrying forward canal culture; it develops riverside habitat new town with diverse high-end service facilities and sound human living environment. Therefore, its goal is to build itself as a modernized new town zone and comprehensive service centre, characterized by perfect service facilities, advanced cultural industry and completed functions of accepting business, conference and exhibition, administration, as well as town population. The key is to develop modern comprehensive service industry, taking cultural industry as its mainstay, in a bid to guide function development, such as business, finance and exhibitions.

It will be built as an important base where Beijing participates in the cooperation development of Beijing, Tianjing, Hebei and Bohai Sea Rim region, and a modernized new town zone and comprehensive service centre, characterized by perfect service facilities, advanced cultural industry and completed functions of accepting business, conference and exhibition, administration, as well as town population. The key is to develop modern comprehensive service industry, taking cultural industry as its mainstay, in a bid to guide function development, such as business, finance and exhibition.

Scale planning. Its boundary: south to Jingsheng (Beijing-Shengyang) expressway, west to Chaoyang District, east to Beijing Municipality, and north to North Street of Luyuan. At present, the new town covers construction land of 42 square kilometers, among which 9.66 square kilometers can be renovated. By 2010, its population will be controlled within 600,000, and the scope of urban construction land will be restricted at 60 square kilometers. By 2020, its population will be restrained within 900,000, while reserving the space for developing a million of population. In addition, the size of urban construction land will be limited at around 85 square kilometers.

Space orientation. Within the scale of Tongzhou New Town, space structure should be built up with the characteristics of "one river two wings; expand towards south and east; develop through communities." On the current basis, it emphasizes on the expansion towards east and south. One river two wings: Tongzhou New Town takes canal as its essence, water and trees combine together with corridor crossing, projecting the town's image with canal as the link and the cultural connotation. The west bank of the canal rebuilds and improves the old town, while the east bank of the canal concentrates newly added town functions, so that the two wings form interaction and collaboration between each other. Expand towards south and east: south to ring road outside Tongzhou and Jingtang Road, while east to Sixth Ring Road, which will be explored and formed joint move with Yizhuang New Town and international air port. Develop through communities: boundaries will be Sixth Ring Road, Jingha Expressway, ring road outside Tongzhou, and Jingtang Highway. This has shaped six functional communities in terms of space.

Short-term target. Taking the opportunity of constructing new Beijing East Station and central districts of two towns on both banks of the canal, the town should perfect transportation and municipal infrastructure facilities, upgrade facility level of public services, promote industrial development and layout adjustment of urban function zone. It ought to emphasize on the cultural civilization of the canal, gradually form advantage of culture industry and demonstration zone of new town, so as to make the basic layout of new town with comprehensive service take shape, which faces the region and affords sustainable development.

Construction keystone. Concerted efforts must be made to rebuild the central districts of the towns alongside the canal, to mark out the public centre in hub zone of new Beijing East Station and large theme recreation facilities, to strengthen education, medical care, culture and other social public service facilities and community supplementary construction, and to enhance the municipal infrastructure facilities in the new town and ecological environment construction to improve environment quality and upgrade living standards of the new town. Emphasized upon five function zones "canal core function zone, theme leisure function zone, administrative service function zone, business headquarter function zone, medical & health function zone," central districts of the towns alongside the canal must be developed well in a bid to construct modernized cultural and business centre with unique features and well-established facilities providing various functions such as business, finance, exhibition & conference, tourism,. The business recreation new zone, providing film and television culture, entertainment and leisure, professional exhibitions and conferences, high-class residence, plans to construct large theme recreation facilities in line with international modern level, which serve northeast Asia region. Administrative & office function zone is planned to offer comprehensive service and to develop Business Park that has supplementary function with CBD. Integrated medical & health function zone should be established. Public centre in hub zone of new Beijing East Station must be planned well. Relying on two bases, four big park zones and four large industrial clusters, the new town should develop high-end industry and

accelerate the development of key projects to advance the comprehensive competition force of the new town, such as Beijing Centre for Tobacco Production Logistics Distribution and Settlement, Beijing Publishing Logistics Centre which radiates the whole country, international procurement centre and distribution centre of well-known brands, direct sales centre of international brands, "Universal Film City" theme park, Beijing demonstration park of furniture industry, demonstration park of packaging and printing industry, etc. It should also intensify the construction of municipal infrastructure and supplementary facilities of the new town; perfect the transportation and municipal facility system; strengthen education, medical care, culture and other social public service facilities and community supplementary constructions of the new town; enhance eco-environment improvement to upgrade environment quality and living standards of the new town.

Concerted efforts must be made to rebuild the central districts of the towns alongside the canal, to mark out the public centre in hub zone of new Beijing East Station and large theme recreation facilities, to strengthen education, medical care, culture and other social public service facilities and community supplementary construction, and to enhance the municipal infrastructure facilities in the new town and ecological environment construction to improve environment quality and upgrade living standards of the new town.

Beijing's 11th Five-Year Plan: Part 5, Section 4 Written by Steve Tuesday, 28 March 2006 IV. Yizhuang New Town

Functional positioning. It will be built as an important regional industrial centre of the capital, a high-tech demonstration zone, the Jingjing inter-city threshold, and human habitat new town. Its priority is to develop high-tech industry and modern manufacturing including electronics, automobiles, medicine, equipment, so as to guide the functional development of business and logistics.

Scale planning. It consists of Beijing Economic Technology Development Zone, five towns under the jurisdiction of Daxing District, namely, Yizhuang, Yinhai, Qingyundian, Changziying, Caiyu, and Sanhaizi area of Jiugong Town, Majuqiao Town of Tongzhou District, as well as three administrative towns west of the second channel of Jingjingtang, namely Taihu, Yujiawu, Yongledian. At present, the new town covers construction land area of 26 square kilometers. By 2010, its population will be controlled within 300,000, and the scope of urban construction land will be restricted at 55 square kilometers. By 2020, its population will be restrained within 700,000, and the size of urban construction land will be limited at around 100 square kilometers.

Space orientation. Taking Beijing Economic Technology Development Zone as the core, the space layout structure stresses the axle-direction development and dual centers, developing towards east of Jingjingtang Expressway and south of Liangshui River. Along the complex corridor of Jingjing transportation, the supplementary construction of Core district, Hexi district and other function districts must be perfected. Meanwhile, efforts should be made to the integrated development of Ludong zone (east new zone of Jingjingtang Expressway) and the planning design of Lunan zone (south new zone of Liangshui River). The Yongle Community of the new town is the reserve space for its long-term development.

Short-term target. The target is to quicken the construction of industrial park and industrial base in a bid to preliminarily build up the new-type industrial pattern, guided by high-tech industry and facing the Jingjing region. It also enhances the development of regional transportation, municipal facilities, public service, residence and eco-environment, perfects social service functions as well as gradually realizes the shift from development zone into integrated industrial new town.

Construction keystone. The key is to consolidate the driving force played by flagship companies such as SMIC, Benz Automobile and BOE. The key also lies in improving industrial development new zone by starting up the development in Ludong New Zone and supporting construction in Hexi District; strengthening radiating capacity for further development through the construction of inter-regional transport channels and municipal basic infrastructure by taking Jingjing inter-city track transport construction as an opportunity; upgrading integrated service function of the new town via the development of various function districts, key regional construction and perfection of public service and residence supplementary facilities.

Beijing's 11th Five-Year Plan: Part 5, Section 5 Written by Steve Tuesday, 28 March 2006 V. Implementation guarantee

The construction of new towns has great bearing on whole situation of the capital strategy development. Therefore, coordination must be intensified in terms of planning, policy-making, capital allocation and mechanism implementation so as to guarantee the sound and orderly operation of new towns' development.

Planning guarantee. Planning must go first. Efforts should be made to compile high-level overall planning and restricted specific planning for new town construction, urban design and related special planning for key regions. This can specify function difference and development order to provide scientific base for new town construction.

Policy guarantee. Policy of regional differentiation should be implemented for the development of industries so as to guide rational division of work. Land development policy should be perfected to help manage the land market soundly. Furthermore, farmers, who lost land, must be allocated properly in a bid to protect farmers' interests and rights effectively. Policy for developing population must be improved to guide population transfer in central districts and urbanization of local population. In addition, resource and environment policies should be optimized to promote the intensive utilization of resources.

Capital guarantee. Government input must be increased to focus on key backbone inter-regional infrastructure projects. This move can make government play the guiding role in investment, leading the transfer of quality social service resources in central districts. And finance modes have to be innovated to guide the injection of social funds.

Mechanism guarantee. Coordinated consideration must be adhered to, while enthusiasm of municipality and district (county) should be fully mobilized. Managerial coordinated mechanism ought to be established effectively to reinforce policy management of key links such as planning establishment, policy arrangement, and project implementation. Legal system development must be pushed forward actively to explore rational adjustment of administrative section division in a bid to provide mechanism guarantee for sound orderly development of the new town.

Beijing's 11th Five-Year Plan: Part 6, Section 1 Written by Steve Tuesday, 28 March 2006 Part VI. Planning Implementation

In order to realize the "Eleventh Five-Year Program," a planning implementation mechanism must be established soundly in line with socialist market economy requirements, which gives full play to the basic role of market allocating resources, improves government capacity and level in executing duty according to law, and master properly the key and time sequence of planning implementation in a bid to safeguard the completion of various important tasks.

I. Establishment of supplementary policies

In light of practical demand for development, important field and key link should be grasped; public resource allocation means controlled by government ought to be exerted effectively; public policies have to be implemented properly. These can give market main body correct guidance so as to promote the realization of development targets.

(I)Guide market demand actively

Various macro-control policies of the state should be earnestly implemented, giving play to the role of investment, consumption and export together as driving forces, emphasizing adjustment and improvement of demand structure and gradually increasing consumption rate so as to provide internal force for steady and fast economic development.

The consumption-driving effect should be strengthened. Focused upon increasing incomes of farmers and low to moderate-income residents in towns, the overall consumption capacity should be enhanced. Consumption policy must be perfected; various rules limiting consumption should be removed; consumption credit should be standardized and developed; diverse modes of credit consumption like leasing should be developed actively. Necessary subsidy policy must be worked out and implemented to guide residents to enlarge green consumption. Vacation with salary system ought to be promoted to advance the upgrading of consumption structure and encourage residents' leisure consumption such as tourism, culture, body fitting, etc. Inbound consumption should be expanded vigorously. Furthermore, market order should be standardized continuously, while consumption via card, purchase through the Internet, tele-purchases and other new consumption modes should be encouraged to create safe and convenient consumption environment for residents.

Investment structure should be adjusted and optimized. When we sustain the steady growth of fixed-asset investment, we should pay more attention to improve the quality and benefit of investment. Government investment should be shifted to suburb regions continuously and be increased according to practical situation, in a bid to support mainly project constructions in the following fields, suburb infrastructure, social public service, resources development and utilization, eco-environmental protection as well as industrial park. Weak links during social development have to be consolidated and improved. Industrial guidance information should be issued timely to lead the transfer of social investment into advantageous industries, to use multiple finance tools, to guide finance department issuing loans properly and access of social capital to support industry development which in line with the capital economic demands. Real estate investment ratio should be decreased gradually to prevent and remove potential risks in investment structure.

Import and export adjustment should be improved. Promotion policy of foreign trade must be regulated timely to support products exports that have low consumption and high added value, to expand products import that with key technology equipment and resources. This can make foreign trade play better role in economic development.

Scientific arrangement of fiscal budget

In light of the principle of compliance and service to the public policies of the public finance, according to the development objective and working key points set forward in this plan according to the Eleventh Five Year Program, stipulate and implement well the annual fiscal budget, strengthen the income organization and expenditure management, rationally clarify the expenditure range of the government,

optimize the expenditure structure, maintain the basic balance, and improve the capacity and level of public finance.

Actively organize fiscal income. Stick to the principle of collection according to the law and reasonable and complete collection, strengthen the personal tax paying service work and the specified tax source management work, crack down the tax evasion and dodging behaviors, ensure the timely and sufficient tax income, and improve the financial guarantee and payment capacity.

Utilize financial expenditure structure. Gradually improve the ratio of the basic social public service expenditure in the financial expenditure at various levels, stress on the guarantee on the expenditure of compulsory education, public health, social security, public security, and environmental protection, and take concrete measures to play well the role of re-distribution, according to the requirements of safeguarding the social justice. Integrate the exclusive funds, standardize the utilization management, ensure the investment to the key area and week links, and play the maximum effect of the financial funds. Control the administrative cost and push forward saving. According to the changes at the city construction stage, make overall plan on the time and order arrangement of finance, properly invest more into the basic construction funds, rationally arrange the basic construction budget, and ensure the smooth implementation of the preparation work for the Olympic Games. Strengthen the transfer payment to the backward areas, and promote the functional positioning and implementation in the districts and townships.

(III) To rationally adjust and control the land supply

Stick to the basic state policy of treasuring and rationally utilizing the land and taking concrete measures to protect the plow land, improve the land saving and intensive utilization, scientifically stipulate and rigidly implement the land utilization overall plan at various levels, stipulate and implement well the annual land supply plan, strengthen the land supply aggregate and structure adjustment and control, rationally master the land exploration and time and order of launching and better guarantee the actual need of urban and rural development and construction.

Rigidly control the scale of construction land. During the Eleventh Five Year Program period, the land supply of the city should be controlled at about 34, 000 hectares. Pay attention to the utilization of currently existing construction land, strictly control the newly-added construction land, and try to control the construction land transferred from farmland within 18,000 hectares.

Adjust the supply structure of land. Give priority in satisfying the layout adjustment of the relative cities, and the construction of the major infrastructure functional promotion, as well as the major industrial programs adding strength to the economic development and overall competitiveness, and guarantee the land demand of ecological construction. For the currently existing rural residence spots and independent industrial and mine land, integration is needed and there should be no newly-added land supply. Maintain the proper supply scale of real estate land, forbidden the supply for the top-grade villas, and strictly control the land supply of other top-grade villas and surplus type of buildings in the market.

(IV) To effectively utilize the government storage

Stipulate the storage policy for the major energy goods, complete the supervision mechanism on the social stock and commercial stock, gradually improve the government storage, stick to the market operation model, fully play out the duel effect of the government and enterprises, and complete storage of important commercial goods like energy, grains, agricultural production materials, and disaster alleviation medicines.

(V) To strengthen the coordination and implementation of policies

To guarantee the achievement of the development objectives; based on the analysis ad channeling of the currently existing policies in the Eleventh Five Year Program period, emphasize on the development of key areas, timely stipulate and release a series of significant economic and social policies and local regulations, and form the powerful support to the development. There are mainly: to stipulate and promote the policy ideas of the modern service industry, and proactively promote the healthy and rapid growth of the modern service industry in the city. Stipulate and implement the exclusive policies supporting the S&T innovation, and increase the self-innovative capacity of the enterprises. Stipulate and develop the matching policies of circulating economy, and speed up the construction of saving society. Stipulate, implement and strengthen the comprehensive population adjustment and control policies, promote the establishment of new adjustment and control mechanism and sustainable development of the capital. Stipulate, implement and expand the coverage of social security and exclusive policies to improve the social aid, and improve the overall social welfare. Stipulate, implement and strengthen the exclusive policies of training for the rural residents, and promote the speeding up of labor transfer and population urbanization in the rural areas. Stipulate the implementation measures for the major program allocation, and promote the implementation of city functional segmentation and regional competition with order. Timely amend and release the industrial orientation index, and lead the structure upgrading of the industries. Improve the economic policies of headquarter, and encourage the high-end industrial development. Improve the promotion policies for the small and medium enterprises, and increase the development vitality. Stipulate and implement the industrial adjustment of the ecological conservation and development areas and ecological compensation policies, and promote the ecological protection and development in the mountainous area. Enhance the linking and coordination among various policies, reduce and overcome the policy frictions, and guarantee the policy implementation effects.

Beijing's 11th Five-Year Plan: Part 6, Section 2 Written by Steve Tuesday, 28 March 2006 To implement the exclusive plans

Enrich and improve the planning system, aiming at the special regions and weak links, stipulate and implement well the exclusive plans, increase the mutual links among various plans, and provide powerful support for the smooth implementation of the plans.

(I) Municipal exclusive planning

As an important component of the Eleventh Five Year Program, the municipal exclusive planning is the specification and expansion of this plan in the special field, and the reflection of the policy intention of the government in these fields. The related departments of the municipal government should stipulate and implement well the exclusive plans according to this plan, and clarify the development direction, objectives, key work and policy arrangement in these fields. Make key effort in the implementation of the 14 key exclusive plans of population development, public service, infrastructure, social security, scientific innovation, new city development and circulating economy. The department in charge of investment should communicate with the related functional departments to stipulate the specific plans for the construction projects, abiding by the scientific development concept, stipulate and specify the program construction standards, rationally arrange the implementation process of the projects, and promote the effective implementation of the plans. The municipal departments in charge of finance and investment should also take the plans as important gist to ratification of the projects, and organize and arrange well the financial budget and government investment.

Development plans of the districts and townships

The people's government at the district and township levels should foot in the local reality, according to the development direction and overall requirements of this plan, organize, stipulate and implement well the economic and social development plans of the administration areas. Start from the fundamental responsibilities of the local government, highlight and strengthen the public service and social management, and take concrete measures to improve the production and living conditions for the people. Emphasize on the optimization of the development environment, and serve the market subject. Set up the ideology of "the city as a whole", guarantee the implementation of the major programs of the city and create favorable foundation for the coordinated development of the city.

(III) To coordinate the plans and links

Correctly handle the relationship among the economic, social development and city planning, and between the land utilization planning, strengthen the links and cooperation, ensure the unified direction in the overall requirements, mutually coordinate in the space allocation, and constantly improve the management level and actual effects of development of the plans with scientific time and order arrangement.

According to the development objective and key content of the plan, stipulate well the specific plans and recent construction points of the key areas (the municipal planning commission thinks that this expression is over specific and improper, and it is suggested that amendment should be made), timely publicize to the society, channel the rational allocation of resources in terms of space, and restrict random behavior; stipulate and implement well the land utilization plan, clarity the land utilization functions, development direction and time and order of different regions, promote the rational regional development with order, and guarantee the sustainable development of capital economy, society and ecological environment.

Beijing's 11th Five-Year Plan: Part 6, Section 3 Written by Steve Tuesday, 28 March 2006 III. Implementation of significant programs

According to the principle of concentrating strength for significant issues, during the 11th Five Year Plan period, highlight the key points, organize and implement well a series of significant programs which have great bearing on the overall situation and long-term development, constantly promote the hard strengthen of the city while paying attention to the soft strengthen of the city development, and benefit more people in the development.

(?) To implement a series of basic projects to increase the management efficiency

Actively draw on the management experience from the metropolis both home and abroad, promote and apply the advanced technical means and organizational ways, establish a series of basic projects to improve the city management efficiency, and obviously promote the basic management level and reaction ability of the city. They are mainly: to expand the E-governance and E commerce, emphasize on the construction of informative city management system, improve the applicable service system oriented toward the enterprise and the public, and do well the construction of the key basic database; foot on the comprehensive management of crisis, complete the emergency reaction and management system of public emergencies, and form relatively complete emergency alert, direction, treatment, aid and operation mechanism; push forward the construction of social credit system and market supervision system; control and reduce the occurrence of significant production accidents, neaten and eliminate the significant potential risks, and promote the comprehensive security capacity of the city, etc.

(?) To organize a series of breakthrough programs to promote the innovation capacity

Emphasize on the increase of core competitiveness of leading industries, promotion of city management levels, saving of resource utilization, and protection of environment, promote safe production, concentrate the research strength and resource investment, support a series of major technical breakthroughs and industrial programs, and form a series of "make in Beijing" brands.

(III)To construct a series of major programs to increase the service functions

According to the requirement of the Olympic Games, city space strategic adjustment and functional improvement, attach great importance and organize well the city infrastructure facilities, social public service, industrial structure adjustment, resource intensive utilization, ecological construction and environment protection, increase the city comprehensive service capacity and promote the city image.

To arrange a series of convenience for people projects for the convenience of the citizens

In order to orient toward human, specifics should be emphasized. During the Eleventh Five Year Program period, centering on the practical problems concerned by the citizens, start from the specifics, timely discover and respond to the requirement of the citizens, increase investment, improve the management, emphasize on the arrangement of a series of programs solving the inconvenience and meeting the basic needs of the citizens, and take concrete deeds for practical effects. The keys include the improvement of rural pubic service, promotion of convenience of public facilities and community service facilities, simplification of geographical sings, construction of safe food and medicine projects, and treatment of dirty environments.

To implement a series of reform programs to improve the mechanism

Centering on the acute systematic contradictions paralyzing the development, stipulate a series of major exclusive reform plans, master the right time and strength, timely release and push forward, and do well the projects. During the Eleventh Five Year Program period, try to marketize the monopoly industries, establish market supervision system, channel the resource pricing, industrial association systematic transformation and make breakthroughs in the key areas like medicare and health reform.

Beijing's 11th Five-Year Plan: Part 6, Section 4 Written by Steve Tuesday, 28 March 2006 To improve and organize the implementation management of the plans

According to the principle of "making overall plan and coordination, and distribution of work responsibilities", further complete the responsibility system, strengthen the examination, evaluation and democratic supervision, motivate and channel the broad social participation, and ensure the timely realization of development objective with effective implementation in different stages.

Make overall plans for the process arrangement

According to the features of the development of Beijing in the Eleventh Five Year Program period, rationally master the keys and pattern of the planning and construction. Before 2008, centering on the preparation of Olympics, create favorable economic, social and cultural environment for the success of Olympics; after 2008, centering on the transfer of strategic key points of city development, arrange and maintain the steady and healthy development of economy and society. Stipulate and implement well the annual development plans, centering on the development objectives and major tasks of the plans, clarify

the processing requirement and orientation of specific policies, and make sure the implementation of the objectives and tasks with plan and steps.

Complete the examination and evaluation

Various departments of the municipal government will conclude the related tasks set forward in the plan into the annual plan and project of these departments, clarify the responsible person and processing requirements, take concrete measures to implement and report to the municipal government the processing situations. According to the requirement of scientific development concept, further improve the examination method and improve the assessment mechanism.

(III) To strengthen social implementation supervision

Further strengthen the supervision on the implementation of the plans, establish complete reporting system of major issues, report the processing of the objectives and major tasks to the municipal standing committee of People's Congress and the municipal CPPCC regularly. Further expand the openness of political affairs, strengthen the information guidance, face the enterprises and the public, actively and broadly organize well the promotion of the plans, timely disclose related policies and information, give rational expectation and correct orientation to the market entity, and form the favorable atmosphere featured by social concern, planning, participation, implementation, and common supervision. Play out the connecting and supervision role of the media and people's communities, complete the information communication and feedback mechanism among the government, enterprise and citizens, and promote the implementation of the plans.

To do well the rotating linkage

Organize well the supervision and mid-term evaluation of the plan implementation, actively use the social intermediate organization power, analyze the implementation effects and policy implementation situation at various angles, timely discover problems and put forward improvement suggestions, and guarantee the achievement of the objectives of the plan. Enhance the following research of significant strategic issues, constantly explore new ideas, mechanism, method of problems, provide favorable conditions for the effective implementation and research stipulation of development plans, and promote the organic linkage and gradual promotion of the overall strategic objective of the city development.

To adjust the planning and implementation

As soon as this plan program is ratified, the municipal people's government will be responsible for the implementation. During the plan implementation period, when adjustment is needed due to special reasons, it will be reported and ratified according to the related procedure.