

Key Takeaways from the Two Sessions

全國兩會焦點

The Beijing meetings set out clear policies to rejuvenate China's economy, as authorities take a proactive role in stimulating investment to bolster market sentiment

兩會明確訂下振興中國經濟的政策，當局將積極刺激投資，提振市場情緒

The week-long second session of the 14th National People's Congress in Beijing last month will shape the government's policy agenda for the upcoming year. The prominent annual political event, known as the Two Sessions, brought together around 3,000 delegates from across the country. It provided insights into the overall fundamentals of the Mainland economy, and shed light on the direction and focus of China's future development.

Ambitious Economic Targets

During the meeting, Premier Li Qiang delivered his inaugural government work report, in

which he unveiled a relatively ambitious economic growth target of around 5% for 2024 – identical to last year's target. Despite achieving 5.2% real GDP growth last year, attaining 5% this year poses a greater challenge due to a higher base number, compounded by China's sluggish post-Covid recovery, challenges in the property sector, dampened confidence, and deflationary pressure.

Li acknowledged the rocky road to economic recovery post-pandemic, and highlighted the adverse effects of the global environment on the country's development. He emphasized the importance

of a "proactive" fiscal policy and "prudent" monetary policy in response to these circumstances. Nonetheless, the ambitious target indicated that the top leaders are committed to supporting economic growth. Despite the absence of a large-scale economic stimulus plan, the Central Government has taken the market by surprise with its pledge to issue ultra-long-term special treasury bonds for several years in a row, starting from RMB 1 trillion in 2024. This unexpected step sends a positive signal, indicating the Government's proactive role in stimulating investment, and is anticipated to bolster market sentiment.

Two Sessions Government Work Reports Key Economic Targets (2020 – 2024)

兩會政府工作報告主要經濟目標 (2020–2024)

	2020	2021	2022	2023	2024
GDP Growth (year-on-year) 國內生產總值增長	/	Above 6% 6%以上	Around 5.5% 5.5%左右	Around 5% 5%左右	Around 5% 5%左右
Inflation (year-on-year) 居民消費價格漲幅	Around 3.5% 3.5%左右	Around 3% 3%左右	Around 3% 3%左右	Around 3% 3%左右	Around 3% 3%左右
New Urban Employment 城鎮新增就業	Above 9 mn 900萬人以上	Above 11 mn 1,100萬人以上	Above 11 mn 1,100萬人以上	Around 12 mn 1,200萬人以上	Above 12 mn 1,200萬人以上
Surveyed Urban Unemployment Rate 城鎮調查失業率	Around 6% 6%左右	Around 5.5% 5.5%左右	Within 5.5% 5.5%以內	Around 5.5% 5.5%左右	Around 5.5% 5.5%左右
Deficit-to-GDP Ratio 赤字率	Above 3.6% 3.6%以上	Around 3.2% 3.2%左右	Around 2.8% 2.8%左右	3% 3%	3% 3%



New Quality Productive Forces

The government work report outlines the 10 major tasks for 2024, with the first task highlighted as “striving to modernize the industrial system and developing ‘new quality productive forces’ at a faster pace”. The term “new quality productive forces,” first introduced by President Xi Jinping last September during an inspection tour to Northeast China, refers to “advanced productivity that is freed from traditional economic growth mode and productivity development paths, features high-tech, high efficiency and high quality.” Mentioned for the first time in the report, it is evident that it has taken a prominent position in China’s economic agenda. This signifies a concerted effort by the Mainland to enhance the breadth and depth of in developing high-tech industries. More resources will be allocated to technological innovation and advanced manufacturing, particularly in areas such as artificial intelligence, big data, new energy vehicles, and other related sectors.

Further Opening Up

While many areas of China’s economy rebounded in 2023 due to the great reopening, foreign investment remained sluggish. The latest figures released by the State Administration of Foreign Exchange showed that China’s foreign direct investment significantly declined by 82% year-on-year to US\$33 billion on the net basis in 2023, marking the lowest level since 1993.

Against this backdrop, the priorities of boosting trade and attracting foreign investment remain at the forefront of the policy agenda. The Central Government has announced it will further shorten its negative list for foreign investment. Specifically, it will remove all market access restrictions in manufacturing fields and relax market access for telecommunications, medical and other service industries. It will also expand the Catalogue of Encouraged Industries for Foreign Investment and encourage foreign-invested enterprises to reinvest earnings in the country. With these concerted efforts to attract foreign

direct investment, it is anticipated that FDI inflows into China will rebound in 2024.

Hong Kong as a Bridge

The Two Sessions have emphasized the importance of technological innovations in China’s economic progress. In the months ahead, ministries and local governments will work towards formulating policies to effectively implement the ambitious modernization agenda outlined during the meetings.

In line with these efforts, Hong Kong has been actively promoting the development of innovation and technology on all fronts. In his recently announced Budget, the Financial Secretary unveiled plans and measures to expedite the development of artificial intelligence, life and health technology, green technology, and more. It is crucial for Hong Kong continue playing its role as a bridge, facilitating investment and fostering collaboration between the Greater Bay Area, the Mainland and other regions.

為期一周的第十四屆全國人民代表大會第二次會議於上月在北京閉幕，近3,000名全國人大代表共赴這個俗稱「兩會」的年度政壇盛事，為政府未來一年的施政制定方向。會議有助了解內地整體經濟基調，以及中國未來發展的方向和重點。

進取的經濟目標

兩會期間，總理李強發表任內首份《政府工作報告》，並將2024年經濟增長目標定為5%左右，增幅與去年的目標相同，可謂相對進取。儘管去年內地經濟實質增長5.2%，但由於基數較高，加上中國疫後復蘇乏力、房地產業面臨危機、市場信心受挫和通縮壓力等因素，今年要達到5%的增速並非易事。

李強坦言疫後經濟復蘇之路顛簸不平，指出全球環境對國家發展造成負面影響。他強調，面對這些不利的環境，積極的財政政策和穩健的貨幣政策十分重要。

不過，進取的經濟增長目標亦表明國家最高領導人推動經濟增長的決心。儘管報告未有提出大規模刺激經濟方案，惟中央政府擬從2024年起連續數年發行超長期特別國債，今年先發行1萬億元人民幣；此舉引起市場熱議之餘，同時向外界發出正面訊息，反映當局積極推出措施刺激投資，可望提振低迷的市場氣氛。

新質生產力

《政府工作報告》部署了2024年十大重點工作，首要任務是「大力推進現代化產業體系建設，加快發展新質生產力」。「新質生產力」一詞由國家主席習近平於去年9月考察東北期

China's foreign direct investment hit 30-year low in 2023
2023年中國外商直接投資創30年新低



Source: State Administration of Foreign Exchange 來源：國家外匯管理局

間初次提出，意指「擺脫傳統經濟增長方式、生產力發展路徑，具有高科技、高效能、高質量特徵，符合新發展理念的先進生產力質態」。

「新質生產力」首次寫入報告，成為中國經濟議程的重中之重。由此可見，內地將全力提升高科技產業發展的深度和廣度，並調配更多資源推進技術創新及先進製造業發展，尤其是針對人工智能、大數據、新能源汽車等相關行業。

進一步對外開放

中國於2023年全面解封以來，經濟在多方面出現反彈，惟外商投資仍然疲弱。國家外匯管理局公布的最新數據顯示，2023年中國外商直接投資淨額按年大跌82%至330億美元，創下1993年以來新低。

在此背景下，促進貿易和吸引外資繼續是國家施政的優先要務。中央政府宣布將進一步縮減外資准入負

面清單，全面取消製造業領域外資准入限制，並放寬電信、醫療等服務業市場准入。《鼓勵外商投資產業目錄》亦將擴大範圍，鼓勵外資企業將境內利潤再投資。觀乎當局設法吸引外商直接投資，預料中國外商直接投資流入量將在2024年回升。

香港的橋樑角色

兩會凸顯出科技創新對中國經濟發展的重要性。未來數月，各部委和地方政府將着手制定政策，有效落實在會議期間提出的現代化宏圖。為配合有關政策措施，香港一直積極在各方面推動創新科技發展。財政司司長在最近發表的《財政預算案》中公布了多項計劃和措施，加快人工智能、生命健康科技和綠色科技等領域的發展。這將有助香港繼續擔當橋樑角色，促進大灣區、內地與其他地區之間的投資和合作。