



Achieve Steady and Fast Economic Development During Transformation and Innovation

Keynote Speech at the Opening Ceremony

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Members, experts, ladies and gentlemen, friends,

I am very happy to meet many old friends and make some new friends. Our CCICED has been engaged in the environment and development cause of China for a long time and done a great deal of effective activities. The theme of this AGM is “Green Transformation of China’s Economic Development Mode”. It is consistent with the acceleration of economic development mode identified in the Outline of the “12th Five-Year Plan of China for National Economic and Social Development”; this has had an active role and realistic significance in facilitating transformation and development. I believe the discussions of this meeting will produce many insights and put forward relevant comments and suggestions; this is conducive to a good beginning of the “12th Five-Year Plan” and continuous promotion of the transformation of economic development mode.

At present, the international economic situation is complex and changing. The world is facing many contradictions such as sovereign debt crises, financial shock and slowdown of economic growth. These phenomena reveal structural problems such as poor coordination in some countries between the real economy and virtual economy and imbalanced and deeply-contradictory development between the north and south. Meanwhile, mankind is also facing global challenges such as energy, resources and food security as well as climate change.

This grave situation deserves careful thought. On the one hand, all countries should have firm confidence and work together to achieve strong growth of the world economy; this



is the prime task. On the other hand, in view of in-depth contradictions and problems, it is the general trend to accelerate adjustment, reform and transformation. Environment is closely linked to development. Striving for the harmony between environment and economy and coordination between development and transformation takes an irreplaceable and important position in the global agenda for driving the strong recovery of world economy, as well as balanced and sustainable growth.

The economic and social development of China has made great achievements since the adoption of the reform and opening up policy. We have actively explored transformative development in practice. Adhering to the policy of focusing on economic development, we have always taken conservation of resources and protection of the environment as basic national policies, vigorously carried out sustainable development strategies, and strived for transformation of economic development mode. In the past 33 years, China has enjoyed 9.9% annual growth of GDP on the average with annual average reduction of about 4% of energy consumption per unit of GDP. Forest coverage went up by 2 percentage points during the “11th Five-Year Plan” period. The contributions of China to the environment and development undertaking in the world are obvious to all.

Meanwhile we should understand that China is a big developing country with over 1.3 billion people with relatively low per capita income. There are 700 million people living in the rural areas and the development of central and western parts of China relatively lags behind. Public services such as basic education, medical care and grass-root cultural activities are still the bottlenecks. The level of the manufacturing industry is not high. In particular, the percentage of the service industry is quite low. Economic growth pays too high a cost of resources and the environment and there are still striking problems of imbalance, poor coordination and sustainability in development.

During the “12th Five-Year Plan” period, China will stick to scientific development, speed up the transformation of economic development mode, strive for facilitating transformation in development and planning development during transformation, and facilitate economic transformation and mode innovation.

First, economic development must transform its mode; transformation is development, too. To adapt to new changes of the international and national situation, address the bottlenecks of resources and environment, and achieve long-term steady and fast economic development, we must update development ideas, bring about innovations in development mode, explore the development path and strive for development during transformation. Economic transformation is not only beneficial to resource conservation and environmental protection, but also to cultivating new growth engines that drive development of new



industry. For example, the output value of energy conservation, environmental protection and resource recycling and reuse industries in China last year exceeded 2 trillion Yuan: it is expected that it will reach 4.5 trillion Yuan in 2015. These industries will bring along big opportunity and room for development. Combining development with transformation is conducive to successfully handling the relations among growth, structure and price, and keeping steady and fast development.

Second, we must achieve transformative development while expanding domestic demand, innovation and inclusive growth. The urban population rate in China is less than 50%, consumption rate is less than 50%, which is obviously lower than that of developed countries, and even lower than that of developing countries at the same development stage. There is a long way ahead for us in urbanization, and there is a huge potential for domestic demand in terms of consumption. Focusing on strategic adjustment of economic structure, we will make an overall plan to facilitate industrialization, urbanization and modernization in agriculture, and improve the long-term mechanism for expanding consumption so that economic growth is based on domestic demands. In nature, transformative development is the development driven by innovation. We will give full play to our human resource advantage and intellectual property of China, facilitate scientific innovation in an all around way and apply more science and technology in economic growth. Both the aim and outcomes of transformative development are enabling people to benefit more from economic development. Based on the reality of the survival and development of over 1.3 billion people, we will adhere to the people first policy, carry out a group of major public welfare projects, and develop the “safety net” guaranteeing basic livelihood so that the living standard is under continuous improvement during development.

Third, we will promote coordination and interaction between socioeconomic development and protection of resources and the environment. We understand that resources cannot be supportive, the environment will not endure and the economic development will not be sustainable if we do not change the extensive growth mode. China will make full use of the target-driven role in saving resources and protecting the environment, drive technical innovation and industrial upgrading, and facilitate the entire economic transformation. We will accelerate the adjustment and optimization of industrial structure, save resources and protect the environment at its sources. At the same time, we will make more efforts in the control of water, air and soil pollution. We will make addressing the environmental problems threatening public health the top priority, solve as many pollution problems as possible, strive for not leaving any new pollution problems, create a good inhabitable environment and continuously improve the quality of public life. These are the basic elements for



transformation; we will absolutely not follow the old path of economic growth at the cost of the environment.

Fourth, we will set up energy saving and highly-efficient modern industrial systems to support transformative development. There still is a relatively big gap between the energy comprehensive utilization rate of China and that of the world advanced level, so there is huge potential for energy saving and higher efficiency. The key for energy saving is controlling the source; the key for higher efficiency lies in optimization of industry. We will further phase out outdated productivity; curb development of industries with high consumption of energy and high emissions; continuously carry out major energy saving projects in industry, transportation and building sectors; encourage enterprises to conduct large scale technical reform on energy conservation; and make traditional industries clean and glow with vitality. At the same time, we will make more efforts to develop new and high-technology industries such as energy conservation, environmental protection, circular economy and low-carbon technology and speed up the development of the service industry. In the next five years, we will adopt comprehensive measures to decrease energy consumption per unit of GDP by 16% and increase 4 percentage points of added value to the service industry. This “decrease of energy consumption and increase of added value to service industry” can greatly facilitate better growth and higher benefits and are important components for transformative development.

Fifth, we will facilitate transformative development by reform and opening up. Transformative development is a wide and profound reform. The economic system reform of China is at the stage of overcoming difficulties. Without further reform, there would be no vitality or guarantee for transformation. We will carry out reform in the whole process of economic transformation and strive for breakthroughs in key fields and sectors as soon as possible. Guided by appropriate mechanisms, we will ensure that economic development follow the path of shifting development mode and adjusting economic structure. Price is the most sensitive signal in the market. Taking price reform of resource products as a focus, we will implement the policy on differentiated and terraced price mechanisms for energy and resources and play a better role of price mechanism in economic regulation. Policies such as investment, finance, taxation, money and trade are strong levers for regulating the behavior of enterprises; we will accelerate the improvement of measures in these aspects. With deepening reform, effective incentives and constraint mechanisms will be developed; transformative development will become an idea deep in the heart of the people and voluntary action of each enterprise and the whole society.

Transformative development in China is conducted under the background of economic



globalization; it is open development. We will implement more active open strategy, expand the areas and space opened to the outside world, stand the test of the global market, optimize the foreign trade structure, innovate the method of utilizing foreign investment and achieve mutual benefits and win-win situations. Meanwhile, we will expand domestic demand in further opening up, adjust economic structure in international competition, and strengthen and improve our economy. Environmental protection is the common cause of human beings. We will take part in international environmental cooperation with a responsible attitude; absorb international advanced ideas and management skills in environmental protection, and better promote the development of ecological civilization. Actively addressing global climate change is a strategic measure for promoting the economic and social development of China. We are willing to work with international communities to facilitate active achievements of the forthcoming 17th UN Conference on Climate Change in Durban and make new contributions to sustainable development of the world.

Members and experts,

This year is the 20th anniversary of CCICED and last year of CCICED Phase IV. In view of key environment and development issues of China, CCICED has organized over 1,000 Chinese and international experts to finish a series of projecting and strategic studies over the past 20 years. Quite many of its policy recommendations have been adopted by the Chinese Government and obtained active achievements in practice. Centering on the development of the “12th Five-Year Plan” of China, CCICED Phase IV has conducted a group of valuable policy research projects over the past five years and contributed their wisdom and strength to the sustainable development cause of China. I would like to express my thanks to them. At present, the Chinese Government has approved the establishment of CCICED Phase V. I hope that the new phase of CCICED will continuously make full use of its advantage of wisdom and vision of experts, actively introduce advanced ideas and practice in the world, carry out in-depth studies on key issues based on the current and future of environment and development of China, and better serve transformative development of China.

I wish a complete success of this AGM! I wish all Members, experts and guests a good stay in Beijing and good luck!

Thank you!