

# Shanxi takes stock of past achievements

Provincial congress hails success in poverty alleviation, plans economic transformation

By YUAN SHENGGAO

The past five years, the 13th Five-Year Plan (2016-20), was a crucial period for Shanxi province to develop an all-around *xiaokang*, or moderately prosperous, society, said Lin Wu, governor of Shanxi, at the recent session of the provincial people's congress.

The fourth session of 13th Shanxi People's Congress was held in the provincial capital of Taiyuan from Jan 20-23.

The provincial legislature, the Shanxi People's Congress, with 517 delegates present at the session, endorsed the work report of the provincial government, the province's 14th Five-Year Plan (2021-25) and the long-range objectives for the period ending in 2035, as well as new local regulations.

When delivering the provincial government work report, Lin said Shanxi's economy had been steadily improved due to continuing supply-side reforms.

He said the reforms highlighted the phaseout of surplus production capacities in sectors such as coal mining, coking and steel making.

Over the past five years, the phased-out capacity in coal mining reached 157 million metric tons. As a result, advanced manufacturers took the place of outdated producers to dominate the industry, with the former accounting for 68 percent of the capacity of the entire sector.

The phaseout of outdated capacity in the energy and heavy industry sectors is part of Shanxi's effort to transform its economy. It is doing this by reducing its reliance on coal mining, diversifying to multiple sectors and finding new growth drivers.

To make the transformation possible, Shanxi has developed 62 new comprehensive transformation demonstration zones in the past five years. This compares with just 26 such zones in earlier years.

The combined area of the 88 demonstration zones is 2,881 square kilometers, or 1.85 percent of Shanxi's total land area. The industrial added value of these zones took up 35 percent of the provincial total.

Lin said Shanxi regards technological innovation as a major driver for local growth. Five key national laboratories and 31 corporate technological centers were established in Shanxi over the past five years. The number of certificated high-tech enterprises in 2020 was more than 3.5 times that of 2015.

The governor said the province formed 14 strategic emerging industries during the 13th Five-Year Plan in such areas as information technology, big data, advanced steel making, semiconductors and robots.

These new industries have reported an average annual growth rate of 7.8 percent in industrial added value over the five years. This is 3.2 percentage points higher than the province's growth rate in all industries.

The province has also enhanced foreign trade and investment as well as stimulated domestic demand as an effective means to drive growth.

As a result of the transformation, Lin said Shanxi's economy began to report marked improvement in the second half of 2016. Economic growth began to keep up with national average growth in the first half of 2017. The growth rates were more than 6 percent annually between 2017-19.



The fourth session of 13th Shanxi People's Congress is held in the provincial capital of Taiyuan from Jan 20-23. SHI XIAOBO / FOR CHINA DAILY



Lin said the GDP growth rate in 2020, which stood at 3.6 percent year-on-year, was especially encouraging. This is because it was achieved in the context of the COVID-19 pandemic.

It should be attributed to the effective measures Shanxi took to prevent and control the outbreak on one hand and to resume business operations and production on the other, he said.

The past five years saw great achievements in improving people's livelihoods, the governor noted. With targeted measures for pov-

erty reduction, including relocation, industrial development, employment creation, job training and improving the ecological environment, Shanxi announced in 2020 that all its impoverished population of 3.34 million had been lifted above the poverty line.

Lin said the government puts improving residents' livelihoods high on its agenda, with more than 80 percent of governmental expenditure channeled into livelihood-related areas.

As a result, the per capita annual disposable incomes of urban and rural residents increased by 8,965 yuan (\$1,385) and 4,425 yuan respectively between 2016-20.

Lou Yangsheng, Party secretary of Shanxi and chairman of the Standing Committee of the Shanxi People's Congress, presided over the last meeting of the session on Jan 23

and delivered the closing speech.

Lou said the nation's 14th Five-Year Plan will be used to comprehensively build China into a modern socialist country. It will also be an important period for Shanxi's economic transformation.

He required governments, businesses and residents to study the guidelines of the Fifth Plenary Session of the Central Committee of the Communist Party of China. Held in November in 2020 in Beijing, it outlined the nation's development plans for the next five years and long-range objectives for the next 15 years.

In Shanxi, Lou said local authorities should map out their own development plans based on the spirit of the Fifth Plenary Session.

The Party secretary required local authorities help to form a new development pattern, highlighting

both domestic demand and the international market, continue to deepen supply-side reform and stick to an innovation-driven strategy.

He called on local governments to foster high-quality growth that balances economic development and environmental protection.

The people's interest should be prioritized and the ultimate goal of development is to make sure that the people can benefit from the achievements of development, he noted.

The fourth session of the 12th Shanxi Committee of the Chinese People's Political Consultative Conference was held concurrently from Jan 19-23, with local political advisers contributing their suggestions and proposals to Shanxi's development.

Li Yali contributed to this story.



Two deputies to the Shanxi People's Congress discuss this year's provincial government work report. SHI XIAOBO / FOR CHINA DAILY

## Private businesses urged to embrace innovation

By YUAN SHENGGAO

Privately owned enterprises in Shanxi should grasp the opportunity of the province's new development strategy that is driven by innovation to strengthen their competitiveness, said delegates during the two sessions of the provincial people's congress and the local Chinese People's Political Consultative Conference held in Taiyuan last week.

Hu Quanxi, a deputy to the Shanxi People's Congress and board chairman of Tianbao Group, said his company is enhancing investment in technological innovation to help it climb up to the high end of the value chain.

Tianbao, based in Dingxiang county in Xinzhou city, is a privately owned manufacturer of casting products.

"Since the Shanxi provincial government proposed a new, innovation-driven development strategy several years ago, we have nurtured a competence in innovation by establishing our own research institution and attracting excellent professionals in the industry," Hu said.

Tianbao reported a sales revenue of 810 million yuan (\$125 million) in 2020, up more than 30 percent from the previous year, according to Hu.

He predicted an even greater increase in the years to come as the company builds a 5G-connected, cloud-powered and intelligent manufacturing facility for produc-

ing castings for wind power plants.

"The project, with a total investment of 223 million yuan, is expected to have an annual capacity of 60,000 metric tons and generate an annual sales revenue of 1 billion yuan when it becomes operational," Hu said.

While companies pledged to strengthen innovation-related investment, deputies to the Shanxi People's Congress and members of the provincial CPPCC also called on local governments to create a better business environment for privately owned enterprises.

"Compared with those in developed coastal regions, Shanxi's private businesses are weaker in strength," said Chen Langhua, member of the Shanxi Committee of the CPPCC and an official of the Shanxi Federation of Industry and Commerce. "It's beyond their ability to mobilize their own resources in large-scale research and development."

He said private businesses need strong support from the government.

"The government support should include but not be limited to such measures as relaxing market access, reducing taxes and improving administrative services," Chen said.

He also called on Shanxi's research institutions and universities to support private businesses by opening R&D facilities, sharing other resources and increasing cooperation with them.

Guo Yanjie contributed to this story.

## Focus on technology as economic benefits reaped

By YUAN SHENGGAO

Innovation should be at the core of Shanxi's development, especially when the province is implementing an economic transformation strategy to diversify its industries and foster new growth drivers, said delegates to the latest sessions of the Shanxi People's Congress and the provincial committee of the Chinese People's Political Consultative Conference last week.

They made the remarks after hearing the government work report delivered by Shanxi Governor Lin Wu on Jan 20.

In the work report, Lin again highlighted the importance of an innovation-driven strategy. He said the province should rely on innovation to boost high-quality growth and foster new, emerging sectors in the years to come.

Zhang Fangtao, a member of the provincial CPPCC committee and a researcher at the Shanxi Research Center for Science and Technology Information and Strategy, said he agrees with the governor's opinion based on his studies of Shanxi's economy.

"In 2015, Shanxi's GDP growth stood at 3 percent, a rate ranking it 30th among the 31 provinces, autonomous regions and municipalities on the Chinese mainland,"



Deputies to the Shanxi People's Congress listen to the provincial government work report. SU RONGXIANG / FOR CHINA DAILY

Zhang said. "Shanxi had been one of the slowest-growth provinces for many years."

The reason was Shanxi's heavy reliance on coal mining, which used up many economic resources in the province, according to Zhang.

The researcher noted that Shanxi has seen steady improvements in its economy since it began to implement an economic transformation strategy at the beginning of 13th Five-Year Plan (2016-20).

"The transformation strategy has led to the establishment of 14

emerging sectors, including information technology, big data, semiconductors, smart manufacturing and robots," Zhang said. "The 14 sectors have been growing at about 8 percent annually on average, pushing Shanxi's overall economy to catch up the nation's average growth rate — about 6 percent from 2017-19."

The researcher noted that all the emerging sectors are high tech-related, requiring much investment in technological innovation.

Gao Zhiqiang, a provincial CPPCC member and a researcher from Shanxi Agricultural Universi-

ty, said he is impressed with the provincial authorities' determination to boost innovation. They did this by establishing more research and development facilities like key laboratories, corporate tech centers and university-backed R&D centers.

Gao is a renowned scientist in China in the field of wheat research. He is a leading researcher in a synchronized innovation center for studying characteristic crops and varieties suitable for the Loess Plateau in northern China.

"Modernization is the only way out for Shanxi's agricultural development and rural revitalization," Gao said. "Shanxi's universities and research institutions should offer strong support to local agricultural modernization."

Li Changxia, a deputy to the Shanxi People's Congress and an agronomist from Linfen city, said the use of farming machines is a crucial part of agricultural modernization.

"Farming machines are widely used in Shanxi to boost efficiency," Li said. "We are using sowing and harvesting machines in the fields and drones in the sky to spray fertilizers and pesticides."

Guo Yanjie contributed to this story.

## Development diversified to reduce emphasis on coal

By YUAN SHENGGAO

Promoting industrial transformation to diversify Shanxi's economic operations from coal mining to multiple sectors to foster new growth engines has been a major focus of development over the past five years and will be highlighted in the years to come, delegates agreed during the recent two sessions of the provincial legislative and political advising bodies.

The two sessions — the fourth session of the 13th Shanxi People's Congress and the fourth session of the 12th Shanxi Committee of the Chinese People's Political Consultative Conference — were held in Taiyuan from Jan 19-23.

Li Yajuan, a deputy to the Shanxi People's Congress and board chairwoman of Jinhui Zhaolong High Tech based in Lyuliang city, said

she that "transformation" was one of the keywords at the two sessions, as it was mentioned 29 times in the government work report delivered by Shanxi Governor Lin Wu on Jan 20.

"I was especially excited with the economic performance in 2020. The province's GDP growth of 3.6 percent was reported for the year despite the COVID-19 pandemic," Li said. "The result was achieved thanks to the industrial transformation over the years."

The four traditional economic pillars of coal mining, coking, metallurgy and coal-fired electricity generation are the major battlefields for this transformation, said Wang Mingsheng, a deputy to the congress and chief of the commission of development and reform in the northern Shanxi city of Datong. Shanxi is using new technologies

to upgrade its traditional industries, while fostering emerging industrial sectors, the deputy noted.

Wang said the transformation will also benefit Shanxi's environment while improving the local economy.

"The government work report proposed the Shanxi Action Plan for carbon dioxide reduction, which requires a complete turnaround in carbon dioxide emissions by 2030," Wang said.

As a coal-rich city, Wang said Datong will play an important role in this transformation.

"Our measures for the transformation include upgrading the coal-mining industry with new technologies for the purposes of improving efficiency and reducing emissions; developing new and clean energy resources such as

solar and wind energies and natural gas; and fostering new industries including advanced manufacturing and modern pharmaceuticals," Wang said.

Liu Wei, a deputy to the congress and Party secretary of Taigu district in Jinzhong city, said Shanxi's transformation strategy will give more opportunities for cross-industry integration.

The official noted that Taigu is developing an industrial park for the integration of agriculture-related industries, called the Shanxi Agro-Industry Valley.

"In the valley, we are developing an extended industrial chain that covers farming, crop research, food processing and biomedicine production based on local medical herbs," Liu said.

Li Yali contributed to this story.