



Chapter 1

Leadership Thoughts

- (1) Xi Jinping presided over the 24th meeting of the Central Commission for Deepening Overall Reform
- (2) Excerpts from Xi Jinping's Discourses on Financial Work

(1) Xi Jinping presided over the 24th meeting of the Central Commission for Deepening Overall Reform¹

On February 28, 2022, Xi Jinping, General Secretary of the Communist Party of China (CPC) Central Committee, President of the People's Republic of China, Chairman of the Central Military Commission of the CPC, and Director of the Central Commission for Deepening Overall Reform, presided over the 24th meeting of the Central Commission for Deepening Overall Reform. The meeting reviewed and adopted several policy documents, including the *Implementation Opinions on Promoting the High-quality Development of Inclusive Finance*. Selected excerpts related to inclusive finance are provided below:

When chairing the meeting, General Secretary Xi Jinping emphasized the importance of upholding the Party's overall leadership and advancing a higher-standard socialist market economy. He called for unswerving efforts to consolidate and develop the public sector while also steadfastly encouraging, supporting, and guiding the development of the non-public sector. Accelerate efforts to build a group of world-class enterprises distinguished by superior products, renowned brands, cutting-edge innovation, and modern governance, enabling them to achieve greater development

and play a greater role in building a modern socialist country and in realizing the Second Centenary Goal. He emphasized the importance of upholding the people-centered development philosophy and promoting the high-quality development of inclusive finance. This includes improving a modern financial system that is highly adaptive, competitive, and inclusive, so as to better meet the diverse financial needs of the people and the real economy, and to effectively address issues such as limited access to financing and the high cost of loans. He also highlighted the need for a comprehensive plan for cultivating talent in fundamental disciplines. This includes scientifically determining the scale of training, optimizing structural arrangements, and establishing a systematic and integrated approach across talent selection, cultivation, evaluation, deployment, and support. These efforts aim to nurture a large number of high-caliber researchers urgently needed for the country's innovation-driven development. Furthermore, state-owned enterprises should be guided to enhance their innovation systems, strengthen their capacity for innovation, and unleash their innovation potential. The integration of industrial and innovation chains should be

1. Source: Qiushi.com | Xi Jinping Chairs the 24th Meeting of the Central Committee for Comprehensively Deepening Reform, http://www.qstheory.cn/yaowen/2022-02/28/c_1128424206.htm

deepened, and the ability of state-owned enterprises to drive demand for original technologies, generate breakthroughs at the source, allocate innovation resources, and commercialize technological achievements should be enhanced, ultimately establishing strong sources of original innovation.

The meeting noted that since the 18th National Congress of the CPC, the Party Central Committee has introduced a series of policies and measures to protect and support enterprise development, fostering the healthy growth of various types of businesses. Some industry-leading enterprises have already developed strong international competitiveness. Efforts should be made to support and guide industry-leading enterprises and specialized and innovative enterprises (SIEs) with mastery of key core technologies to deepen reforms, strengthen innovation, and receive greater cultivation and support. The role of enterprises as the main drivers of innovation should be reinforced, with a focus on channeling various innovation factors toward enterprises and encouraging enterprises to take the initiative in technological, managerial, and business model innovation. The real economy must be continuously strengthened by upgrading the industrial base and modernizing industrial chains to create globally competitive products and services. Enterprises should be encouraged to fully leverage both international and domestic markets and resources, enhance their global

capacity for resource allocation and integration, and transform China's ultra-large domestic market advantage into a competitive edge on the global stage. The meeting emphasized the need for a more effective synergy between an enabling government and a well-functioning market. Government oversight and service capabilities should be improved to protect and stimulate business vitality, ensure a fair and competitive market environment, and help outstanding enterprises distinguish themselves and excel in market competition.. Development and security must be balanced in an integrated manner, and enterprises should be guided to actively and prudently expand into international markets.

The meeting emphasized that since the implementation of the *Plan for Promoting the Development of Inclusive Finance (2016-2020)*, launched by the CPC Central Committee, the coverage, accessibility, and satisfaction levels of financial services have steadily improved. Inclusive finance has played a positive role in coordinating pandemic prevention and control with economic and social development, supporting the fight against poverty, and addressing shortfalls in key areas related to people's livelihoods. Efforts must be made to deepen supply-side structural reform in the financial sector, channel more financial resources to key areas and weak links, and accelerate efforts to close service gaps for counties, small and micro enterprises, and

new types of agricultural business entities. The integrated development of inclusive finance with green finance and sci-tech finance should be promoted to enhance the precision and effectiveness of policies. It is necessary to optimize the systems of financial institutions, financial markets, and financial products, and give full play to the roles of commercial finance, development finance, policy-based finance, and cooperative finance. The service and support functions of insurance and capital markets should be strengthened, direct financing channels broadened, and the orderly development of digital inclusive finance promoted. Mechanisms for policy formulation and implementation in inclusive finance should

be improved, alongside the underlying infrastructure, regulatory frameworks, and grassroots governance systems. Risk-sharing and compensation mechanisms should be enhanced, and a long-term mechanism that is both affordable and commercially sustainable should be established. It is imperative to prioritize the prevention of financial risks, strengthen the Party building within the financial system, reinforce a culture of discipline and rigorous Party self-governance and translate it into concrete actions, intensify financial supervision, and resolutely punish corruption within the financial sector. Disciplinary and legal violations must be thoroughly investigated and addressed.

(2) *Excerpts from Xi Jinping's Discourses on Financial Work*²

Excerpts from Xi Jinping's Discourses on Financial Work, published on March 24, 2024 (hereinafter referred to as the *Excerpts*), is organized into 10 thematic sections and compiles 324 important statements delivered by General Secretary Xi Jinping on financial matters. Among them, Themes 3 and 4 emphasize that financial work should be people-centered and that serving the real economy should be the core purpose of financial services. Both themes underline that finance should serve the public and possess an inclusive nature. The following are selected excerpts from Themes 3 and 4:

● General Secretary Xi Jinping pointed out that the financial undertakings led by our Party are fundamentally intended to serve the people. This stands in stark contrast to the essence of financial systems in some other countries, which primarily serve capital and a small group of wealthy individuals. The greatest flaw of Western modernization lies in its capital-centric nature rather than a people-centered approach—it seeks the maximization of capital returns rather than serving the interests of the vast majority. This has led to a widening wealth gap and severe social polarization.

● General Secretary Xi Jinping emphasized that in the new era and on the new journey, financial work should firmly uphold the

people-centered approach, enhance the diversity, inclusiveness, and accessibility of financial services, and better protect the rights and interests of financial consumers. We should always uphold the people-centered development philosophy, advance the high-quality development of inclusive finance, and improve a modern financial system that is highly adaptive, competitive, and inclusive, in order to better meet the growing financial needs of the people. Financial development should be oriented toward benefiting the people by expanding financing channels for social undertakings, innovating financing mechanisms, and developing more financial products to address public needs in areas such as healthcare, elderly care, education, and training, striving to align economic value with social value.

● General Secretary Xi Jinping stressed that finance and the real economy are interdependent and mutually reinforcing. Without the support of a strong real economy, financial prosperity is merely superficial. Finance can only achieve sustainable and sound development by serving the real economy. If it becomes overly focused on self-reinforcing loops and speculative expansion, finance will become like water without a source or a tree without roots—inevitably leading to crisis.

2. Source: Lilun China | Studying Excerpts from Xi Jinping's Discourses on Financial Work, <https://www.theorychina.org.cn/c/2024-04-15/1514330.shtml>

● General Secretary Xi Jinping pointed out that China's financial sector must remain firmly committed to its fundamental mission of serving the real economy and promoting high-quality development, and it must never deviate from the real economy toward the virtual economy. Financial innovation should be firmly rooted in serving the real economy and aligned with the needs of consumers and investors. So-called "innovations" that deviate from the real economy or evade regulatory oversight must be strictly prohibited. The blind expansion of financial institutions, excessive internal capital circulation, and financial activities deviated from the real economy are unacceptable, let alone fraudulent practices such as Ponzi schemes. Finance must treat service to the real economy as both its point of departure and ultimate objective, comprehensively enhance the efficiency and quality of financial services, channel more financial resources to key areas and weak links in economic and social development, better meet the diverse financial needs of the people and the real economy, and effectively safeguard the accumulation of social wealth.

● General Secretary Xi Jinping emphasized the importance of applying the new development philosophy in line with the inherent laws and distinctive features of the financial sector development. We must prioritize quality and efficiency and shift towards intensive growth. Efforts should be

made to develop a modern system of financial institutions and markets to ensure smooth and effective channels for capital to flow into the real economy. The structure of the financing system should be optimized to form a financial value chain aligned with the needs of the real economy. The financial sector should actively support the implementation of major national strategies and give priority to meeting the funding needs of key national development projects.

● General Secretary Xi Jinping emphasized that all types of financial institutions must remain true to their original mission, return to their core functions, excel in their core businesses, and refine their areas of specialization. They should effectively enhance both their competitiveness and their capacity to deliver services, in order to meet the multi-level and diversified financial service needs of the real economy and the general public. Financial institutions should adopt a customer-centric approach and create value through services. They should shift from the blind pursuit of high returns to the pursuit of reasonable returns under controllable risk, and from focusing solely on mass-market, large-scale demand to placing greater emphasis on meeting personalized, differentiated, and customized needs, so as to create both value and profits by serving economic and social development.

● At the Central Financial Work Conference and the special seminar for

principal provincial and ministerial-level officials on promoting the high-quality development of the financial sector, General Secretary Xi Jinping called for concerted efforts to accomplish the 'five key financial tasks' involving: sci-tech finance, green finance, inclusive finance, pension finance, and digital finance.

●General Secretary Xi Jinping pointed out that inclusive finance should deliver timely support like fuel in snowy weather, serving as a vital safeguard for people's well-being. We should continuously improve the policy framework for financial support to small, medium, and micro-sized enterprises, as well as private enterprises, to further ease problems such as difficult and costly financing. We should increase financial investment in rural revitalization, focus our efforts on safeguarding

food security, supporting the development of rural industries, and helping farmers increase their incomes and achieve prosperity. Financial institutions should improve their service approaches to ensure that financial products offering safety, returns, and liquidity become accessible to ordinary households.

Accelerating the building of China into a financial powerhouse is the primary objective of current and future financial work. On this basis, it is crucial to fully recognize finance as a matter of national strategic importance. The ultimate aim of pursuing high-quality development and building a financial powerhouse is to serve the broader goal of Chinese-style modernization, so as to comprehensively support national rejuvenation through the full advancement of Chinese-style modernization.