

## **Chapter** **53** **Strengthening Safeguards for Our Nation's Economic Security**

We will strengthen early warning, prevention, and control mechanisms for economic security risks, and redouble capacity building in this regard. We will maintain security in key areas such as important industries, infrastructure, strategic resources, and major science and technology projects, and focus on increasing our capacity for safe development in areas including food, energy, and the financial sector.

### **Section 1** **Implementing Our Food Security Strategy**

We will put strategies for supporting different crop varieties into practice, and improve systems for guaranteeing the supply of important agricultural products as well as systems for the production, purchasing, storage, processing, and sale of grain in order to ensure that basic food supplies are absolutely secure, that we are largely self-sufficient in grain, and that there is an abundant supply of secondary agricultural products. We will devote unwavering focus to grain production, advance implementation of the food crop production strategy based on farmland management and the application of technology, and promote breakthroughs on critical seed technology in order to increase our level of independent control over superior crop varieties. We must stick to the red line of land reserved for agriculture and maintain the designated acreage of permanent basic farmland in order to stabilize and increase grain acreage and output, and make sound plans for the construction of regional emergency supply centers

for agricultural products. We will further reform of collection and storage systems for agricultural products, move faster to diversify purchasers and suppliers in the market, reform and improve the system for managing central grain reserves, and boost our capacity to regulate grain reserves. We will bolster the system of provincial governors assuming responsibility for food security and city mayors for the supply of non-staple foods, and ensure that both Party committees and governments assume responsibility. We will take effective measures to reduce grain losses during production, storage, transportation, and processing, and carry out food saving initiatives. We will actively pursue international cooperation related to important agricultural products, improve mechanisms for managing agricultural imports, promote the diversification of import sources, and cultivate major international grain traders and agricultural enterprise groups. We will also work on formulating the Food Security Law.

## Section 2

### Implement Our Energy and Resource Security Strategy

In energy and resource security, we will continue to emphasize domestic supply while remedying shortcomings, establishing diversified guarantees, and bolstering reserves. We will improve our energy and resource production, supply, storage, and sales systems, and enhance our capacity to provide a steady and sustainable supply of energy and to manage related risks. We will secure the basic coal supply, achieve self-reliance in meeting core demands for oil and natural gas, and ensure a stable and reliable supply of power. We will shore up domestic production, maintaining stable and growing output of crude oil and natural gas and carrying out effective planning and management for strategic coal liquefaction and gasification centers. We will scale up oil and gas storage, and develop an oil and gas reserve system in which government reserves and reserves maintained by

enterprises as part of their social responsibility commitments are integrated and complementary. Greater efforts will be made to strengthen our coal storage capacity. We will refine emergency management and control systems for energy risks, enhance power supply guarantees for key cities and users, and reinforce protective measures for major energy facilities and networks. We will diversify and expand sources of imported oil and gas, and maintain security of strategic corridors and major junctions for oil and gas imports. Energy exchange centers and pricing mechanisms that put our needs first will be cultivated, and local currency settlement will be promoted. We will tighten planning and control of strategic mineral resources, boost our capacity to ensure storage security, and carry out a new round of strategic initiatives for mineral exploration.

### Section 3

## Implementing Our Financial Security Strategy

We will improve prevention, early warning, response, and accountability systems regarding financial risks, ensure that regulators and local authorities fulfill their responsibilities, and take a zero-tolerance stance on legal and regulatory violations so that no systemic risks arise. We will refine the system of macro-prudential regulation to keep the macro-leverage ratio stable while pursuing steady decline. We will strengthen regulation of systemically important financial institutions and financial holding companies, step up efforts to identify and address non-performing assets, forestall and defuse shadow banking risks, deal with high-risk financial institutions through an orderly approach, crack down hard on illegal financial activities, and refine long-term mechanisms for the regulation of internet finance. We will improve mechanisms for identifying, assessing, predicting, and effectively preventing and controlling debt risks, build sound mechanisms for handling bond defaults, and promote unified law enforcement in the bond market.

We will take prudent steps to resolve hidden debts of local governments, and severely punish debt evasion. We will enhance the framework for managing cross-border capital flows, step up regulatory cooperation, and increase our capacity to prevent, control, and respond to risks in an open environment. We will intensify development of the Cross-Border Interbank Payment System, make key information technologies in the financial sector more secure and controllable, and safeguard the security of financial infrastructure.

Box 20 Economic Security Projects	
01 Grain storage facilities	<ul style="list-style-type: none"> <li>▪ Build high-standard grain storage facilities;</li> <li>▪ Launch an initiative to enhance environmentally friendly grain storage;</li> <li>▪ Organize a number of large grain logistics hubs and parks;</li> <li>▪ Boost emergency distribution capacity and channel connectivity.</li> </ul>
02 Oil and gas exploration and exploitation	<ul style="list-style-type: none"> <li>▪ Strengthen oil and gas exploration and exploitation in major basins including the Sichuan Basin, the Ordos Basin, the Tarim Basin, and the Junggar Basin, maintain stable production from the traditional oil-producing regions of the Bohai Bay and the Songliao Basin, and build natural gas production centers in the Sichuan-Chongqing region;</li> <li>▪ Promote the exploration and exploitation of coal seam gas in the Qinshui Basin in Shanxi Province and the eastern Ordos Basin and of shale gas in southern Sichuan, western Hubei, and the Yunnan-Guizhou region, and advance exploration and exploitation of shale oil;</li> <li>▪ Launch trial mining of natural gas hydrate resources in the South China Sea and other areas.</li> </ul>
03 Coal liquefaction and gasification centers	<ul style="list-style-type: none"> <li>▪ Prudently advance the construction of strategic centers for coal liquefaction and gasification in Ordos in Inner Mongolia, Yulin in Shaanxi, northern Shanxi, and Zhundong and Hami in Xinjiang, and build reserves of production capacity and technology.</li> </ul>
04 Power security	<ul style="list-style-type: none"> <li>▪ Lay out strong local grids, and develop power supplies capable of supporting their local area as well as emergency power supplies for major users;</li> <li>▪ Establish a command system for responding to power-related emergencies, and build security and emergency management platforms for large hydropower plants;</li> <li>▪ Set up simulation-based verification environment for cybersecurity in the power industry, and build platforms supporting cybersecurity-related situational awareness.</li> </ul>

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Box 20 Economic Security Projects	
05 A new round of strategic initiatives for breakthroughs in mineral exploration	<ul style="list-style-type: none"><li>▪ Conduct basic geological surveys;</li><li>▪ Select 100 to 200 prospective areas to search for deposits of oil and gas, uranium, copper, and aluminum;</li><li>▪ Submit 200 to 300 target areas for commercial prospecting.</li></ul>
06 Stronger emergency response capacity	<ul style="list-style-type: none"><li>▪ Build six regional emergency rescue centers as well as training and drilling bases for comprehensive emergency response;</li><li>▪ Modernize rescue equipment, upgrade and improve both central and local stockpiles of comprehensive emergency supplies, and set up a number of logistics centers for emergency supplies;</li><li>▪ Establish three regional stockpiles of monitoring supplies for nuclear and radiation emergencies.</li></ul>