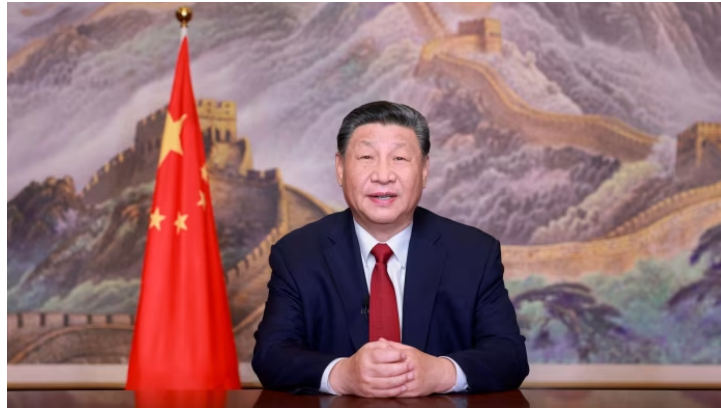

Xi Jinping prioritizes Economic growth and support for vulnerable citizens in New Year address



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In his New Year address, Chinese President Xi Jinping highlighted the urgent need for growth and increased support for the country's vulnerable populations, especially the elderly and youth. Xi's speech, delivered on Tuesday evening, came amid ongoing economic struggles, including rising youth unemployment and slow wage growth. The address focused on reinforcing the

government's commitment to addressing these strains and creating a better quality of life for all citizens.

Xi emphasized that the issues of employment, income growth, elderly care, childcare, education, and healthcare are always on his mind. He stressed that the government's top priority is enabling people to live fulfilling lives, ensuring that children receive a quality education, the elderly have access to proper care services, and young people are provided with development opportunities. These priorities reflect China's evolving focus on the well-being of its population amidst various economic challenges.

Despite achieving a growth rate of 4.8% in the first nine months of 2024, China's economy has failed to meet the official target of 5%. Economic sentiment remains weak, further exacerbated by deflationary pressures, a years-long slump in the property market, and the effects of the pandemic. The government's efforts to restore consumer confidence have largely faltered, leading to increased economic strain. Xi has acknowledged these challenges, calling for deeper reforms to spur growth and bolster social stability.

As part of the country's long-term economic strategy, Xi has emphasized the importance of technological self-reliance, particularly in key sectors such as semiconductors, artificial intelligence, electric vehicles, and space exploration. He underscored China's progress in these

areas, celebrating breakthroughs in computer chips, AI, and space exploration, which are vital for reducing dependency on foreign technologies. The president also pointed out the country's increased investment in high-tech industries as a strategic move to secure China's future economic standing.

In response to the social and economic strains, the Chinese government has been implementing policy-easing measures, including support for the property and stock markets, which are viewed as necessary steps to stimulate domestic demand. To further aid vulnerable populations, the government has launched a series of cash handouts aimed at assisting individuals facing economic hardship, particularly unemployed youth. These handouts are expected to provide some relief, though experts suggest they may have limited impact on the broader economy.

Economists like Kelvin Lam from Pantheon Macroeconomics believe that while these measures won't significantly affect the overall economy, they could help maintain social stability, especially in poorer rural areas.

The World Bank recently revised its forecast for China's 2025 GDP growth to 4.5%, signaling optimism in light of the government's policy shifts. However, Xi's speech also touched on China's strained international relations, particularly with the United States. Under the leadership of President Joe Biden, the U.S. has imposed restrictions on China's access to critical technologies,

including computer chips, while ramping up sanctions on Chinese companies. These tensions have further complicated China's economic outlook.

Xi also reiterated China's stance on Taiwan in his address, reaffirming the country's sovereignty over the island and emphasizing the unbreakable ties between both sides of the Taiwan Strait. He stated that "no one can sever our blood ties and kinship," reiterating that the historical trend of national reunification cannot be stopped.

Furthermore, Xi's message underscored China's strengthening relationship with Russia, with both nations continuing to expand their strategic coordination. In his New Year message to Russian President Vladimir Putin, Xi noted that the partnership between China and Russia had reached new heights under their leadership, further solidifying the geopolitical ties between the two nations.

As China moves into the new year, the government faces the delicate task of balancing economic growth, social stability, and international relations while prioritizing the well-being of its citizens.