

# 20th Party Congress: Braving the Storm

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# The 20th Party Congress at a Glance

- **Five more years of Xi:** Xi Jinping was confirmed as Party chief for a third five-year term. With no clear successor, there may be at least two more terms ahead. Irrespective of the outlook, Xi's leadership appears more unchallengeable than ever.
- **An aligned leadership team:** The new leadership team is heavily weighted to those allied to Xi, but also introduces new capabilities with strong STEM and security experience within the Politburo. There is concern that a closely aligned leadership team could create an echo chamber and also reduce checks and balances.
- **No change of course:** Overarching long-term policy direction set to stay. But near-term tactics to be influenced by heightened focus on security and innovation, in response to external challenges.
- **National security across the nation:** Enhancing national security was front-and-center, from agriculture and tech supply chains to financial security through to strengthening the military. Expect a whole-of-state response to boosting self-reliance and security, which may drive other nations to respond.
- **Still reforming and opening-up:** Continued commitment to opening-up, foreign investment, and letting markets play a decisive role, but balanced against preference for domestic supply, a rapid strengthening of the state sector and growth of state capitalism.
- **Corporate resilience required:** While the new leadership team brings new predictability, the road ahead faces notable uncertainty with no visible change to Covid-19 policies, slowing growth and economic challenges, complex foreign relations, and elevated tensions in the Taiwan Strait set to remain. Businesses need to review vulnerabilities and ensure that their strategy is resilient to external factors.
- **Only the first step:** Over the coming weeks and months expect new appointments to cascade through government with senior government positions, including Premier, to be confirmed in March next year at the National People's Congress.





# Introduction

At the close of the first plenary session of the 20th Party Congress on Sunday October 23, Xi Jinping was confirmed for a third five-year term as head of the Party. In taking a third term, Xi became the first leader since China's reform and opening-up started more than 40 years ago to lead for more than two terms, breaking norms that had governed Party promotion and succession since the 1990s.

The Politburo and its Standing Committee, the country's most powerful decision-making body, saw a significant shake-up with new members heavily weighted towards those considered strong allies of Xi, which will create strong alignment on critical domestic and external issues. Past norms that had guided promotions, such as experience and age, were largely abandoned in favor of performance—with a strong emphasis on political integrity within the Party and alignment with Xi.

Were there any doubt, it is clear that Xi is the unquestionable core leader, with no evidence of any alternate power base that could pose a challenge or serve as a form check and balance. Expect the internal political distractions that have dominated the last few years to shift quickly to the rearview mirror, with the new leadership team focused on executing Xi's plans for the nation.

All four new members of the seven-person Standing Committee were promoted from the Politburo. Li Qiang, who oversaw the two-month lockdown of Shanghai as the city's Party chief, is now positioned to become China's next Premier when the National People's Congress convenes in March next year. The other three new to the Standing Committee are Cai Qi, Ding Xuexiang, and Li Xi, all considered close allies of Xi. The group replaces Premier Li Keqiang, Chairman of the National People's Congress Li Zhanshu, Chairman of the Chinese People's Political Consultative Conference Wang Yang, and Vice Premier Han Zheng. There is no clear sign of a successor in waiting, making Xi's rule appear open-ended.

Beyond the leadership reshuffle, the Congress set significant priorities for the next five years. Ensuring national security, achieving self-reliance and delivering political stability reverberated throughout the work report delivered by Xi. While Xi embraced the reform and opening-up policies that have seen China's economy more than double over the last ten years, there was also a clear call to strengthen the State and the Party in all aspects of business and society, delivering a new form of state capitalism.

He was blunt in his assessment of the pressures facing China externally. He called for greater self-reliance, a more muscular concept of sovereignty and national security, and a stronger military to address "external forces" risking China's modernization, its reunification with Taiwan, and its management of Hong Kong.

As a political meeting, the Party Congress did not focus on policy specifics, which will emerge at the National People's Congress in March. Regardless, Xi was clear on the imperative to take a whole-of-state approach to strengthening China's position in key industries, accelerating work to shore up weaknesses in sectors vital to the country's development security, and securing the supply of strategic resources.

The report called for further investment in next-generation information technology, artificial intelligence, biotechnology, new energy, new materials, high-end equipment, and green industry. As China amplifies its focus on these areas, businesses operating in the sectors should be mindful of being drawn into the crosshairs of growing great power competition.

One of the most-discussed topics among the public and business community has been whether the Congress would offer any sign of a change in the country's Covid-19 strategy and border controls. The Congress paid tribute to the strategy to date in saving lives, but there was no discussion of any change. While we expect continued adjustments in the months ahead, a major loosening of the zero-Covid policy immediately following the Congress is unlikely.

Mentioned only indirectly was the United States and measures considered within China as designed to contain the country's development. Nonetheless, the US was a clear subject of Xi's references to "external attempts to blackmail, contain, blockade, and exert maximum pressure," and China's opposition to protectionism and bullying. Xi committed to strengthening the country's response to foreign sanctions and interference without addressing specifics, though measures put in place over the past few years such as the Unreliable Entity List could finally be rolled out. The US-China relationship is set to continue to face challenges with few visible areas for mutual cooperation at this point in time.

*Our team based on the ground in China and around the globe focused on China matters has dissected this Party Congress. Here we present a snapshot of key themes that have dominated the Congress and we look at the new leadership team. If you would like to be added to our future updates on China, please drop us a note at [ChinaPublicAffairs@BrunswickGroup.com](mailto:ChinaPublicAffairs@BrunswickGroup.com).*

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## A New Leadership Team

Xi Jinping was confirmed for a third five-year term as Party chief and is supported by a team of close allies on the Politburo. Premier Li Keqiang has retired from the Party leadership and will relinquish his role as Premier in March next year.

With a third five-year term, Xi has abandoned norms that had governed promotion and succession since the 1990s. By removing the presidential term limit in 2018 and ousting successors selected by his predecessors without introducing any of his own, it is now impossible to determine with any certainty if Xi will remain in his current position for five more years or for the foreseeable future. Based on the current Politburo, there is now a high expectation that Xi will be in office for at least two more terms.

At the closing of the Party Congress, former Party chief Hu Jintao, 79-years old, was ushered out of the room in front of international and Chinese journalists, creating significant speculation over whether this was a further signal of Xi's complete consolidation of power or merely an unscripted response to Hu's medical condition. Regardless of the real reason, Xi's control of the Party is now ironclad, and any counterbalancing power within the Party leadership previously represented by competing political factions or coalitions no longer exists.

This Congress marks a complete overhaul of the appraisal and promotion system for Party leadership, from the 24-member Politburo and its seven-member Standing Committee to the 205-member Central Committee. This time, Xi led a new assessment committee evaluating promotions across the Central Committee, described as implementing an institutionalized system of extensive meritocracy-based performance appraisals. The new criteria replace previous norms such as a rigid retirement age, selecting candidates based on performance, but with a clear weighting on political integrity.

Diversity considerations, which previously required female and ethnic minority representation in the Politburo, appear to have been swept aside with none in the 24-person group. Even in the full 205-person Central Committee, there are only 11 women and nine ethnic minorities.

The six members of the Politburo Standing Committee who sit with Xi atop the Party are all considered to have strong relationships with Xi. The group includes four new members promoted from the Politburo, and two that will remain on the Standing Committee for a second five-year term. Among the new promotions is Li Qiang, who is expected to be appointed Premier in March. Li would be the first to serve in that position without prior experience as Vice Premier since Zhou Enlai, China's first Premier.

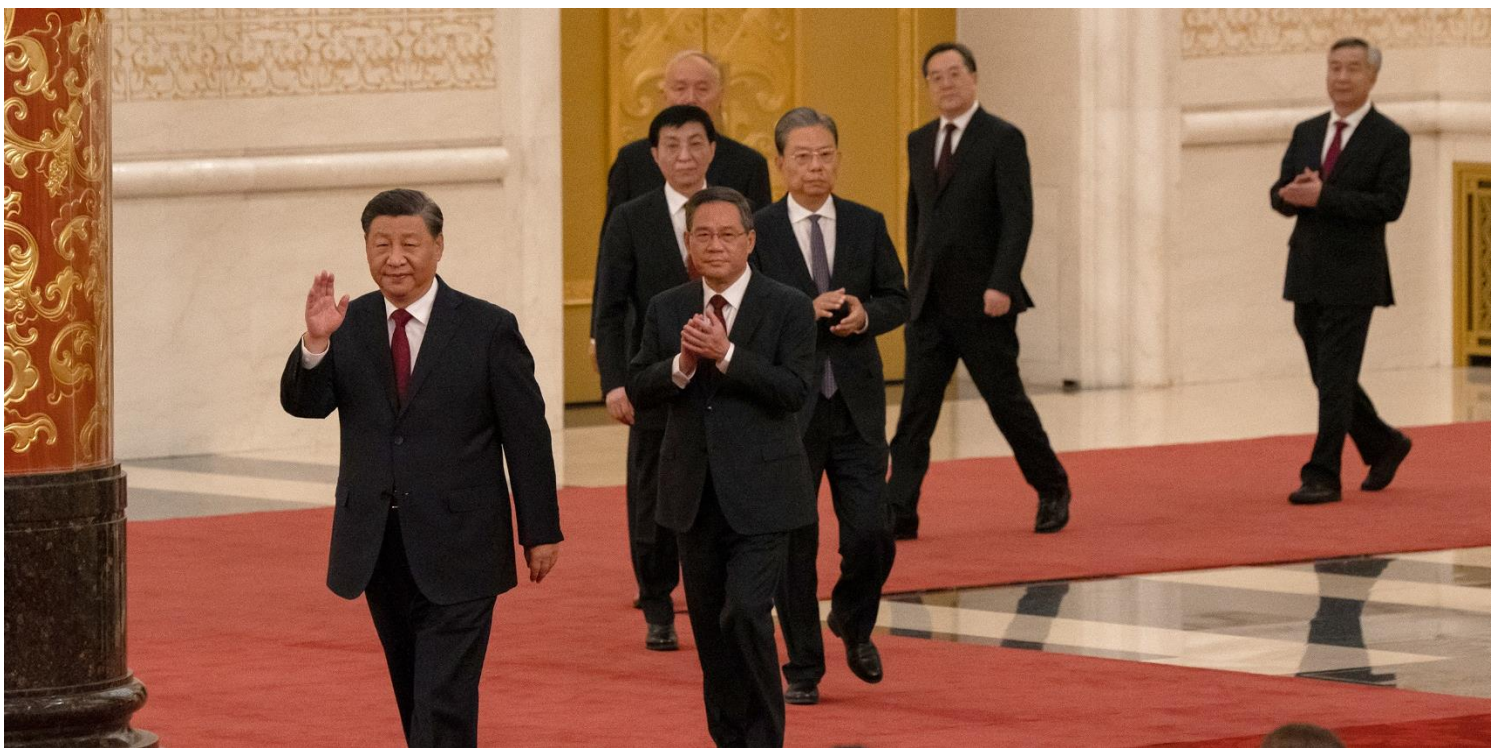
In the larger 24-person Politburo (which includes the top seven from the Standing Committee), there are 13 new members, including two members who were promoted directly to the Politburo without prior experience on the Central Committee.

In addition to members considered strong allies of Xi, the wider Politburo promotions bring diverse backgrounds, including six members with advanced degrees and work experience spanning aerospace, material science, public health, environmental science and nuclear science—closely aligned to the strategy imperatives outlined by Xi. In addition, the Minister of State Security received a seat at the Politburo for the first time along with two experts in Party ideology, in keeping with the intensified focus on national and ideological security.

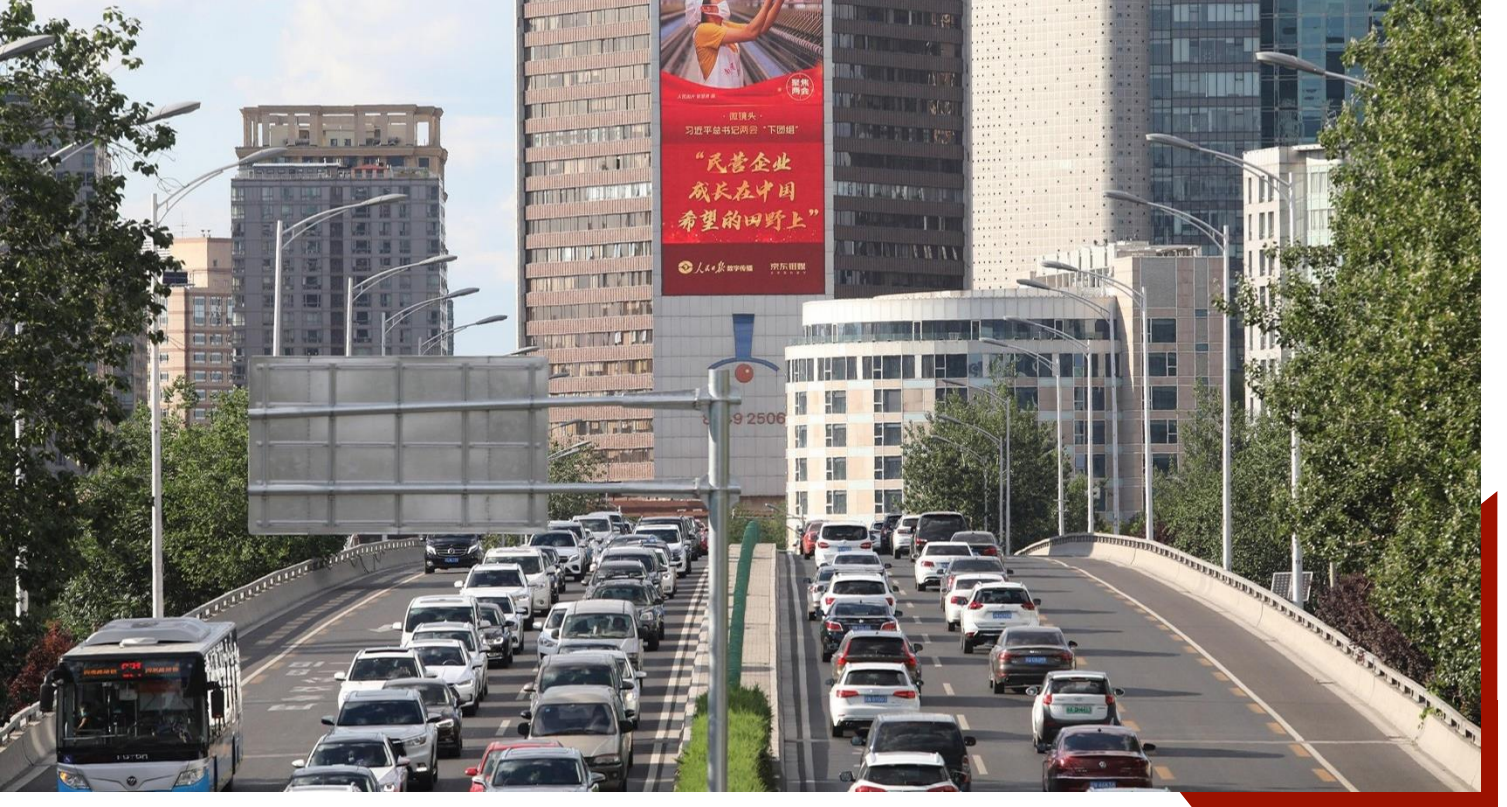
Senior government positions—including those of the Premier and Vice Premiers—will be confirmed at the National People's Congress next March. Over the weeks and months ahead, expect additional appointments to cascade through the system.

With the retirement of Xi's top economic advisor Liu He, the economic portfolio is expected to be led by He Lifeng, current head of the National Development and Reform Commission. Current Foreign Minister Wang Yi was elevated to the Politburo and is expected to lead the foreign affairs portfolio following senior diplomat Yang Jiechi's departure. China's central bank, as well as the banking and insurance regulator, will be under new command next March, as central bank governor Yi Gang and top banking regulator Guo Shuqing have retired from the Party leadership.

See page [10](#) for an overview of all 24 members of the Politburo.







# The Next Five Years of Xi and Beyond

The 20th Party Congress defined the political trajectory of not just the next five years but far beyond, with the Party leading the country and Xi firmly at the core of the Party. There is much in the strategies laid out at this Congress for businesses engaged in or with China to decipher and reflect on. We draw out a number of key themes below.

**All the General Secretary's men.** What is clear is that for the coming five years, there will be no counterbalancing power on the Politburo associated with competing political factions or coalitions. The new leadership team is undisputedly aligned with Xi Jinping to carry out his vision for the nation.

The merits of consolidating power so tightly around Xi Jinping will be debated.

What we can anticipate is that regardless of views on the direction of the Party and country, China's political leadership will be laser-focused on policy execution, including tackling what they see as significant external threats. The domestic political uncertainties that have dominated this past year will be firmly in the rearview mirror.

Yet there is a concern the structure will create an echo chamber, lacks diversity, and further reduces checks and balances. With the changing of the guard, there is also a change in institutional experience—from management of the economic and foreign affairs portfolio to established international relationships. It will be critical to see the members of the team behind each portfolio.

**Political continuity.** More than anything else, the 20th Party Congress cemented the Party's resolve to stay the course and continue down the path set over the last decade of Xi's administration, upholding the Party's overarching strategy and its central role in all matters. While tactics may adjust, do not expect any fundamental change in course.

At the 19th Party Congress in 2017, Xi said "Party, government, military, civilians, students—east, west, south, north and center—the Party leads in all things." This basic truth about the Party's understanding of its role has only grown clearer since then. While

this Congress revealed some shifts in emphasis, particularly on the Party's view of its role in safeguarding national security, it did not indicate any significant changes in direction on major policy areas.

**Re-assessing the past, validating the future.** Xi's report was critical of the Party he inherited in 2012. As his predecessor Hu Jintao sat in the audience, he pulled no punches in describing the problems the Party and country faced at the end of Hu's term, from rampant corruption and "historical nihilism" within the bureaucracy to acute structural issues in the economy. The natural implication, of course, is that Xi has led the Party back into the light, rooting out corruption and other issues which grew through the Jiang and Hu eras. Echoing last year's [resolution on history](#), the Party thinks itself cleaner and stronger than ever, with nobody better-placed to continue that than Xi.

**Braving the storm.** The Party was pessimistic in its assessment of the external environment.

For decades, China had seen itself as being in "a period of strategic opportunity" underpinned by stability and development. Reflecting on domestic challenges and changes in the global context over the last few years, Xi declared that the country has entered a phase in which "strategic opportunities, risks, and challenges are concurrent and uncertainties and unforeseen factors are rising."

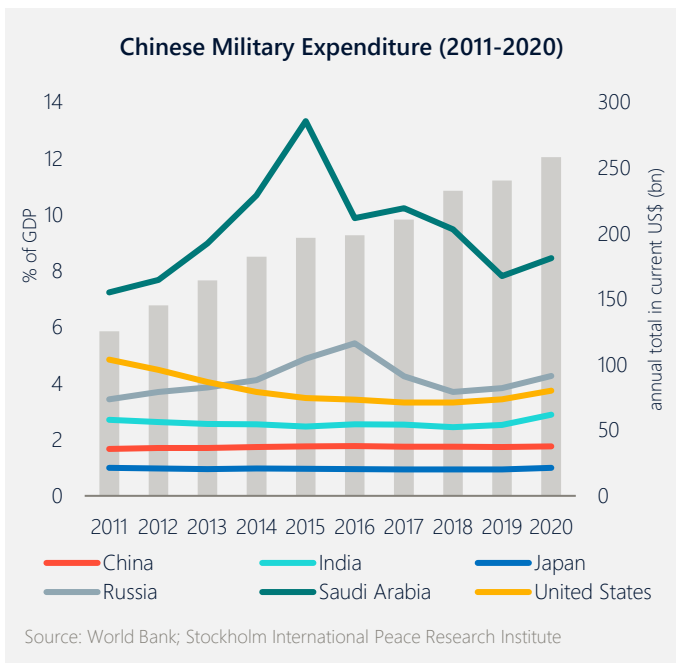
"We must keep to our path and not sway in our commitment," he said, staying "ready to withstand high winds, choppy waters, and even dangerous storms." No longer is the country just crossing a river where the stones can be felt.

The Congress concluded that only by rallying behind Xi and forging ahead with confidence can the Party ensure it accomplishes its goals. In all but name, Xi is the first "great helmsman" since Mao to navigate China through such stormy seas.

Firms operating in China or engaged with the country must be clear-eyed in how they navigate the political pressures and great power competition strategies that are influencing local decision-making, whether in China or elsewhere.

**Securing the nation.** China's increased focus on security is among the most significant shifts led by Xi, and was front and center at the Congress. The newly revised Party Constitution made developing a "world-class military" a common and unquestionable mission for all, while Xi described security as the Party's "ultimate goal" and said in his report that "national security is the bedrock of national rejuvenation, and social stability is a prerequisite for building a strong and prosperous China."

The emphasis reverberated throughout—it included calls to bolster national security in the traditional sense by further strengthening the military and the Party's leadership over it, but it also encompassed many less traditional areas, from maintaining control of cyberspace and ensuring sufficient domestic food production to improving social governance and securing biological resources. Many of these security themes discussed at the Congress are not new, having been baked into the 14th Five-Year Plan released last year, but their prominence was notable nonetheless.



**Doubling down on self-reliance.** Closely linked with its focus on security, the Congress was also clear on accelerating efforts to achieve greater self-reliance, especially in science and technology.

Set as part of the Party's number one priority for the next five years, Xi considers it critical to China's modernization and economic transition. His report laid out a whole-of-state approach to achieving breakthroughs in core technologies while working to expand the supporting systems to enable it—from developing and attracting STEM talent to aligning research and optimizing capital.

While there was no new catchphrase such as "Made in China 2025" or "Indigenous Innovation," Xi was transparent in outlining sectors that the country will focus on in the months and years ahead. Expect to see this whole-of-state approach applied to the development of strategic emerging industries and new growth engines such as next-generation information technology, artificial intelligence, biotechnology, new energy, new materials, high-end equipment, and green industry.

These strategic industries will be the next battleground as countries vie to secure the advantage. Tactics leveraged in recent months focused on China's technology and semiconductor sector could eventually be rolled out to these new sectors—from new sanctions to inclusion on unverified lists.

Companies with direct or indirect connections to these emerging sectors must build resilience into their operations if they are to navigate geopolitical tensions effectively in the years ahead.

**No clear timeline for reunification of Taiwan.** The Party's message regarding Taiwan was unambiguous—it is a "historic mission and an unshakable commitment." Though the language in the report was unequivocal and "anti-Taiwan independence" is now written into the Party Constitution, no statement or language during the Congress dictated a specific or accelerated timeline.

Xi stressed the importance of "peaceful reunification" but also reiterated that China will not "renounce the use of force, and we reserve the option of taking all measures necessary," maintaining the stance set decades ago by Jiang Zemin.

Without explicitly referencing the United States, Xi stated that any potential use of force "is directed solely at interference by outside forces and the few separatists seeking 'Taiwan independence' and their separatist activities; it is by no means targeted at our Taiwan compatriots."

While no specific timeline was mentioned, Xi's report did note that complete reunification "is a natural requirement for realizing the rejuvenation of the Chinese nation." This carries some chronological implications, as Xi said in 2012 that rejuvenation should be achieved by the 100th anniversary of the People's Republic of China in 2049 (when Xi would be 96 years old).

No matter what, the Taiwan Strait will continue to be a point of significant tension.

**Supporting Hong Kong's capitalist system.** In his address, Xi celebrated the restoration of order in Hong Kong and called out the importance of the One Country, Two Systems policy. He stressed that "this policy must be adhered to over the long term" with the two Special Administrative Regions (SARs) administered by the people of Hong Kong and Macao. The Congress did not define "long term," but it may be intended to imply beyond the 50-year agreements that were agreed with the two SARs and will expire in 2047 and 2049, respectively.

In addition to committing to maintaining One Country, Two Systems over the long term, Xi committed to ensuring "that the capitalist system and way of life remain unchanged in Hong Kong and Macao in the long run."

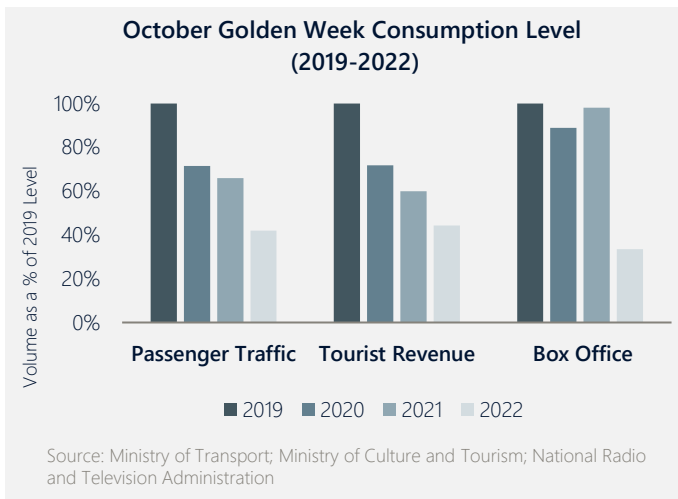
The critical condition is "that Hong Kong and Macao are administered by patriots," with the central government holding ultimate jurisdiction.

We anticipate additional policy support for Hong Kong and Macao, together with stronger encouragement for the two SARs to engage more with the Guangdong-Hong Kong-Macao Greater Bay Area.

One strong motivation behind this support is the call out by Xi that long-term success in Hong Kong and Macao is one pillar "to realize reunification across the Taiwan Strait." However, observers should anticipate an unequivocal response to those deemed "anti-China elements" in any SAR.

**Holding course on Covid-19.** Rather than forecasting any loosening, the Party focused on its success in saving lives and of its “dynamic zero” Covid-19 policy in safeguarding public health.

The Party underlined this assessment of the policy in a series of editorials published ahead of the Congress in the People’s Daily, which argued strongly in favor of its importance and sustainability. The official position is that any relaxation risks a large-scale rebound which would inflict greater social and economic costs than the current preventive measures, regardless of rising popular dissatisfaction with the approach and impact on economic activities.



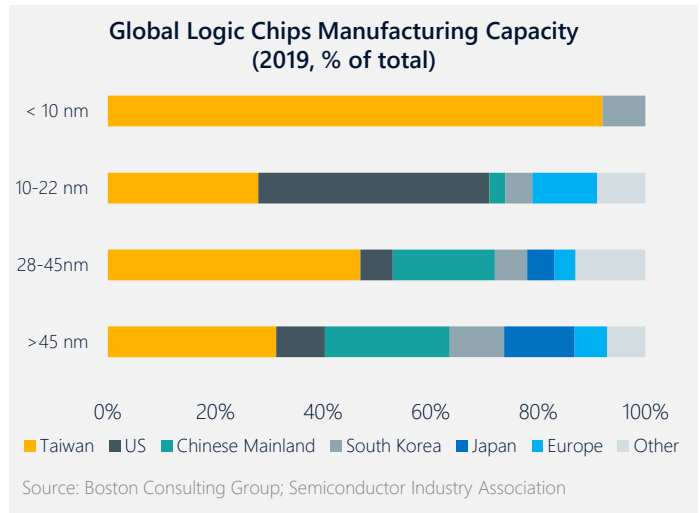
There was no discussion in Xi’s report or during the Congress of what is to come. Companies must ensure they have built resilience to continue operating under strict border controls and unpredictable local pandemic measures. Regardless, we do expect continued adjustments to local pandemic response playbooks in the months ahead. All eyes are on an anticipated visit by German Chancellor Olaf Scholz and a business delegation in early November for indications of change.

**Countering sanctions.** In keeping with the emphasis on security, the Party said “mechanisms for countering foreign sanctions, interference, and long-arm jurisdiction will be strengthened” over the next five years, without detailing specifics.

The report to the Congress was drafted well in advance and likely did not have time to reflect the unprecedented controls on technology exports announced by the US a week before the Congress opened, which may significantly thwart China’s ambition to produce semiconductors at more advanced nodes (16 nm, 14 nm or below). Chinese officials will certainly interpret that as an intentionally timed announcement that’s part of the US containment strategy, but the Congress’s call to strengthen resilience to sanctions is not a direct response.

This year’s sanctions on Russia following its invasion of Ukraine have been instructive for observers in Beijing, who hold no illusions about China’s vulnerability to such measures and are accelerating efforts to ensure China cannot face the same fate.

China has built sanction response tools in recent years such as an Unreliable Entity List to counter the US equivalent, but has yet to implement them. In the months ahead, we may see some of these tools come into action alongside other responses, but China has so far sought to carefully balance business engagement vs government-to-government actions.



**Reform and opening-up to continue under a strengthened state.** On economic policy, Xi repeated pledges of “unwavering support” for the private economy and letting market forces play a decisive role. He committed to further opening the country’s market with measures like reducing the “negative list” for foreign investment, protecting the rights and interests of foreign investors, and fostering a world-class business environment that is market-oriented, law-based, and internationalized.

At the same time, there is no questioning the Party Congress’s emphasis on increasing the role of the Party and state in business. Xi committed to “deepening reform” of state-owned enterprises, enhancing the layout of the state-owned sector, and seeing SOEs “get stronger, do better, and grow bigger”—not necessarily the reforms called for by the international business community.

Likely more concerning for international businesses working with Chinese partners or in joint ventures is the pledge to “make sure that Party leadership in SOEs and financial firms is strengthened in the process of their improvements to corporate governance” and that “Party building will also be stepped up in mixed-ownership and non-public enterprises.”

Finally, Xi’s report reiterated the current focus on quality over speed of development, and on serving the “real economy” rather than financial services. Meanwhile, his commitment to the 2035 development objectives implies average GDP growth of 4.7% between 2021 and 2035, which seems increasingly challenging.

**China-style modernization.** One area Xi’s report differed from those in years past was in its attention to “China-style modernization” (中国式现代化). Appearing throughout the text, the buzzword is ambiguous enough to be applied in a wide variety of different contexts, though it is closely associated with the “common prosperity” concept Xi introduced last year and his administration’s general focus on social equity.

This year’s Congress made a point of emphasizing uniquely Chinese features of the country’s modernization and paid special attention to improving livelihoods with commitments to strengthening investment in healthcare, improving sustainability and reducing the costs of having children.



**Sectoral commitments.** By nature, Party Congresses are the Party talking to itself and setting overarching goals and principles—they do not generally dig into policy specifics. Those will come at the National People’s Congress in March next year.

However, there were a handful of notable sector callouts at this Congress including on education, healthcare and finance.

Most of the points raised were not fundamentally new, but did connect in new ways with public concerns and strategies to address perceived external threats.

On **education**, Xi stressed the country’s goal to “become a leading country” by 2035 and the priority to develop talent, especially to spur innovation and self-reliance. He called for more equitable distribution of educational resources, and to strengthen support from preschool to special needs education while further building out the vocational education system and promoting the use of Chinese at school.

At the same time, observers should expect more Party oversight of teaching materials and greater integration of “political education curriculum across all levels, from elementary schools to universities.” Beyond this, expect continued pressure to reduce costs, as Xi made commitments to “bring down the costs of pregnancy and childbirth, child rearing, and schooling” to address China’s demographic challenge.

A long-standing focus on **healthcare** reform was also called out in Xi’s report, including more “coordinated development and regulation of medical insurance, medical services, and pharmaceuticals,” and “reform of public hospitals.” On pandemic response, the Congress also called to enhance early warning systems for major epidemics and strengthen prevention, control, and treatment. Finally, it continued the recent emphasis on prevention and the Healthy China 2030 initiative, including placing “importance on mental and psychological health.”

Further reform of the **financial** sector was also discussed, including modernizing the central banking system, strengthening financial regulations, and promoting the internationalization of the renminbi while mitigating “systemic risks.” While those risks were not specified, one priority will be global dependency hazards.

Lastly, Xi reiterated ambitious commitments on the **environment** including the country’s pledge to be carbon neutral by 2060. He vowed that China will “basically eliminate” serious air pollution, and that coal will be used in a cleaner way as it remains part of the country’s energy mix. New joiners to the 24-member Politburo also include environmental scientist Chen Jining and nuclear engineer Li Ganjie, both of whom served previously as environment ministers, indicating environmental concerns may carry a heavier weight in future policymaking at the highest level.





# The First Ten Years of Xi

Within days of his ascension to the helm in 2012, Xi led the Standing Committee across Tiananmen Square to an exhibition titled "The Road to Rejuvenation" that reflected on the challenges China had faced over the past 170 years. This marked a fundamental change in tone and direction, including stepping away from Deng Xiaoping's doctrine to "hide your strength, bide your time" and stand upright with confidence on the world stage.

Responding to the economic and political challenges facing the country and the Party in 2012, Xi's administration launched far-reaching anti-corruption campaigns and overhauled the Party.

There is no question today on the pervasiveness of the Party in the running of the country. From the Party's perspective, it is stronger and more relevant than ever, China is more confident on the international stage, and quality of life has improved for many.

But as we end the first ten years of Xi in office, the country also faces significant tensions: many long-standing challenges have grown more severe, and the country is facing an ever more complex external environment.

## Changing political scenery

Under Xi, the Party has gained a new lease on life. Xi's far reaching anti-corruption campaign, which saw investigations of some five million Party cadres and officials, addressed genuine public grievances while centralizing power. This enforcement of Party discipline has cleaned up rampant corruption while also helping Xi secure loyalty among the Party's upper echelons and strengthen the organization's presence at the grassroots.

Xi has also given new purpose to the Party with a series of structural changes that have elevated its decision-making power above state ministries, while increasing its influence in government and business alike. Any theoretical separation of Party and government is now long gone, with policy increasingly formulated by a series of supra-ministerial Party committees that are often led by Xi himself. Groups like the Xi-chaired Central Committee for Comprehensively Deepening Reform have dramatically broadened his personal decision-making power over key matters including economic reform, national security, and foreign policy.

## Changing policy priorities

Five years ago, at the last Congress, Xi set solving socioeconomic inequality as China's top development priority. Measured on its own yardstick, the country has now eradicated absolute poverty, and "achieved moderate prosperity, the millennia-old dream of the Chinese nation." However, this political focus on "common prosperity" also kicked off a regulatory crackdown in multiple industries, catching investors by surprise and wiping out businesses large and small in impacted sectors. While many stand to benefit from the country's renewed focus on left-behind rural and postindustrial areas, others are still grappling with the long-term implications of this dramatic shift in the policy landscape.

Xi has also acknowledged the unsustainability of China's investment-led growth model and sought to address structural issues in China's economy. While the government continues to set growth targets, its policymaking now increasingly emphasizes quality of growth rather than speed. Income per capita has nearly

*Party and state media vigorously celebrated the last "ten years of the New Era" in advance of the Congress, rolling out the red carpet for Xi's third term by highlighting accomplishments including:*

**A stronger Party** that has regained relevance as the center of political life

**A stronger China**, with globally competitive firms across a wide range of sectors

**A better life for the Chinese people** in both urban centers and the countryside, with higher-quality social services and significant environmental improvements

**A bigger contribution to the world**, providing "China solutions" and a new model of modernization to developing countries while participating more actively in global governance

doubled in the last ten years, steps are being taken to wean the economy off its dependence on real estate, and it is making headway on the journey to achieve its ambitious 2060 carbon neutrality target.

But there are significant challenges: real estate giants' financial troubles threaten to destabilize the economy, and the specific measures necessary for many sectors to reach the 2060 carbon target remain unclear. The country's climb up global value chains and out of the middle-income trap is also increasingly hamstrung by political priorities, including the aggressive Covid-19 containment strategy. Analysts expect that China will fall far short of the 5.5% growth target set for this year, due in large part to disruptive lockdowns of major economic centers.

Xi has introduced "dual circulation," a slogan referring to policies that improve self-sufficiency and bolster domestic supply and demand, now written into the Party Constitution. The strategy aims to enhance supply chain security and maximize the economic benefits of domestic consumption, which could benefit both Chinese and foreign businesses operating in the country. But it has also been a source of significant anxiety for international businesses despite repeated attempts to assuage them that China is not going into reverse on market opening.

In foreign policy, China has promoted itself as an alternative to Western models of development. It has taken great efforts to build a "community with a shared future for mankind" with other developing nations, including by bankrolling infrastructure projects around the world under its Belt and Road Initiative. Its rising global stature has also been accompanied by increasingly assertive diplomacy, which has contributed to souring relations with the West while criticism of China's human rights record has grown, especially over Xinjiang and Hong Kong.

# Who's Who in the New Leadership Team

## The Politburo Standing Committee



**Xi Jinping (习近平)**, 69 years old, was elected as General Secretary for a third five-year term. Over the past ten years, Xi has overseen a restructuring of the Party both structurally and in purpose. Xi built his career in Zhejiang and Fujian before rising to the Politburo Standing Committee in 2007 as a designated successor of Hu Jintao.



**Li Qiang (李强)**, 63 years old, replaces Li Keqiang as the second-ranked member of the Standing Committee despite overseeing Shanghai's controversial lockdowns earlier this year as its Party Secretary, a role he has held since 2017. He is poised to become China's Premier next March. Having served as Xi's chief of staff when Xi was Party Secretary of Zhejiang, Li's successful rise following the Shanghai lockdown is testament to Xi's paramourcy in the Party. Looking beyond Shanghai, Li has practical hands-on experience working in Jiangsu and Zhejiang. He joined the Politburo in 2017 and the Standing Committee this year.



**Zhao Leji (赵乐际)**, 65 years old, was reappointed to the Politburo Standing Committee and will most likely head the National People's Congress to manage legislative work. Zhao rose through the ranks far from Beijing in northwestern Qinghai province, where he was Party Secretary from 2003 to 2007. After 27 years there, he held the reins in Shaanxi for five years before taking one of the Party's most powerful roles in its Organization Department, where he was responsible for managing senior appointments across the country. This role, alongside his subsequent leadership of the top anti-corruption body, the Central Commission for Discipline Inspection (CCDI), was instrumental in helping Xi fill key positions with allies over the past ten years. Zhao joined the Politburo in 2012 and the Standing Committee in 2017.



**Wang Huning (王沪宁)**, 67 years old, was reappointed to the Politburo Standing Committee and will most likely be appointed head of the Chinese People's Political Consultative Conference, where he will also oversee United Front work. Wang is considered one of the country's preeminent political theorists, having built his career in Beijing over the last 25 years, rising through the Central Policy Research Office. He has advised three leaders—Jiang Zemin, Hu Jintao and Xi Jinping—and is considered the mastermind behind ideological theories attributed to Xi Jinping which were enshrined in the Party Constitution five years ago as "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" and continue to define much of the Party's focus today. He is one of Xi's closest advisors, and in a pre-pandemic world was a visible member of Xi's entourage on international trips. Wang joined the Politburo in 2012 and the Standing Committee in 2017.



**Cai Qi (蔡奇)**, 67 years old, fills Wang Huning's prior role as the Party's first-ranked Secretary of the Secretariat of the Party's Central Committee, the executive body of the Party's leadership. Cai has served as Beijing Party Secretary for the past five years and is considered a close ally of Xi, having worked with him in Fujian and Zhejiang in the 1990s and 2000s. Cai first moved to Beijing in 2014 to serve as deputy director of the General Office of the National Security Commission, after which he received a series of unusually rapid promotions culminating in his appointment as the capital's top leader and a member of the Politburo. In addition to governing Beijing as Mayor and then Party Secretary, Cai also oversaw the Beijing 2022 Winter Olympics. Cai joined the Politburo in 2017 and the Standing Committee this year.



**Ding Xuexiang (丁薛祥)**, 60 years old, joins the Politburo Standing Committee for the first time after serving as director of the General Office of the Central Committee. Considered one of Xi's most trusted confidants, Ding first worked as Xi's secretary in 2007 while Xi was in Shanghai. Ding built his career there before moving to Beijing in 2013 to become deputy head of the Central Committee's General Office and Xi's chief of staff. Ding combines a sci-tech background and experience in numerous Party departments including the Organization Department, General Office, and Central Political and Legal Affairs Commission, but has no experience running a province or major city. Ding joined the Politburo in 2017 and the Standing Committee this year.



**Li Xi (李希)**, 66 years old, joins the Politburo Standing Committee to fill Zhao Leji's prior role as head of the CCDI. Li has served as Party Secretary of Guangdong for the past five years, before which he was Party Secretary of Liaoning, where he famously launched a series of reforms to combat corruption and economic hardship. Prior to Liaoning, Li worked in Shanghai, including serving as First Vice President of the local Party School, and before that rose through Shaanxi after starting his career in Gansu. Despite having no previous direct working overlap with Xi, Li is widely considered a Xi loyalist, with a personal connection reportedly between the two tracing back to Xi's father. When Li served in Shaanxi, he reportedly brought letters authored by Xi to villagers in Liangjiahe, where Xi had spent formative years during the Cultural Revolution. Li joined the Politburo in 2017 and the Standing Committee this year.



## Members of the Politburo



**Ma Xingrui (马兴瑞)**, 63 years old, has served as the Party Secretary of Xinjiang since December 2021, having spent the previous eight years in Guangdong as its Deputy Party Secretary, and as a member of the Central Coordination Group on Hong Kong and Macao Affairs from 2017. Ma built his career in the 1990s and 2000s focused on the space industry, with roles at the China Aerospace Science and Technology Corporation and the China Academy of Space Technology, during which he was actively involved in China's space missions. He has held ministerial roles at the Ministry of Industry and Information Technology. Ma joined the Politburo this year.



**Wang Yi (王毅)**, 69 years old, has served as Minister of Foreign Affairs since 2012. He is a career diplomat of almost 40 years and previously served as ambassador to Japan. Despite the global pandemic and China's strict border controls over the past three years, Wang's official state visits abroad were only on pause for around six months from February to August 2020. Wang joined the Politburo this year.



**Yin Li (尹力)**, 60 years old, was appointed Party Secretary of Fujian in December 2021. He previously served as Governor of Sichuan, and before his 2016 appointment to that role had a career in the healthcare sector including roles in the health ministry and a posting to the World Health Organization. Yin joined the Politburo this year.



**Shi Taifeng (石泰峰)**, 66 years old, served as Party Secretary for Inner Mongolia until April this year, following posts in Ningxia and Jiangsu. He worked in the Party School before his provincial appointments, and is President of the Chinese Academy of Social Sciences. Shi joined the Politburo this year.



**Liu Guozhong (刘国中)**, 60 years old, has served as Party Secretary of Shaanxi since 2020, prior to which he worked in senior positions in Jilin, having built his career in neighboring Heilongjiang over two decades. Liu joined the Politburo this year.



**Li Ganjie (李干杰)**, 57 years old, has served as Party Secretary of Shandong since 2021. Li studied nuclear engineering at Tsinghua before working in the nuclear industry, including heading the National Nuclear Safety Administration and studying at the Institute of Radiation Protection and Nuclear Safety in France. In 2000, he began working in environmental protection and ultimately served as Minister for Environmental Protection from 2017 to 2020 before his appointment in Shandong. Li joined the Politburo this year.



**Li Shulei (李书磊)**, 58 years old, has served as the Executive Vice Minister of the Propaganda Department of the Central Committee since May 2022. Li rose through the Central Party School, and in 2008 served as Vice President of the Party School when Xi Jinping was its President. Li joined the Politburo this year.



**Li Hongzhong (李鸿忠)**, 66 years old, has served as Party Secretary of Tianjin since 2017. Before Tianjin, Li served as Governor and then Party Secretary of Hubei province before which he was leading China's tech hub Shenzhen in Guangdong province. Li joined the Politburo in 2017.



**He Weidong (何卫东)**, 65 years old, becomes second-ranked Vice Chairman of the Central Military Commission (CMC), succeeding Zhang Youxia as he moves to first-ranked Vice Chairman. Previously, He was commander of the Eastern Theater Command whose national defense portfolio includes Taiwan. Before that he oversaw the Chinese military in Shanghai and Jiangsu. Neither a delegate of the 20th Party Congress nor a former member of the CMC, He joined the Politburo this year.

## Members of the Politburo



**He Lifeng (何立峰)**, 67 years old, has overseen the country's macroeconomic planning as head of the National Development and Reform Commission for the past five years. He built his career in Fujian from the 1980s until his appointment in 2009 as Deputy Party Secretary of Tianjin. He is considered a close ally of Xi, having served with him in Fujian. He joined the Politburo this year.



**Zhang Youxia (张又侠)**, 72 years old, succeeds Xu Qiliang as first-ranked Vice Chairman of the seven-member Central Military Commission (CMC), China's top national defense organization, despite the former norm for officials to retire by 68. He is a People's Liberation Army General and one of few senior military officers with combat experience, having served in the brief 1979 Sino-Vietnamese War. Zhang is considered a close Xi ally, and his father served with Xi's father when they were both in the PLA's Northwest Army Corps in the 1940s. He joined the Politburo this year.



**Zhang Guoqing (张国清)**, 58 years old, has served as Party Secretary of Liaoning for the past two years. Before his appointments as Deputy Party Secretary of Chongqing in 2013 and Mayor of Tianjin in 2018, he spent the majority of his career in Norinco, China's largest defense manufacturer. He joined the Politburo this year.



**Chen Wenqing (陈文清)**, 62 years old, has served as Minister of State Security since 2016. He began his career as a local police officer in Sichuan, climbing the ranks to become Deputy Party Secretary of Fujian and Secretary of the Fujian Provincial Commission for Discipline Inspection, before being promoted to Deputy Party Secretary of the CCDI in 2012. He joined the Politburo this year.



**Chen Jining (陈吉宁)**, 58 years old, has served as Mayor of Beijing since 2017. An environmental engineer, he had a career in academia before entering politics, including serving as president of the prestigious Tsinghua University, Xi Jinping's alma mater. He left Tsinghua to become environmental minister in 2015, a position he held for two years before his mayoralty. He joined the Politburo this year.



**Chen Min'er (陈敏尔)**, 62 years old, has served as Chongqing Party Secretary for the past five years. After notable achievements eradicating poverty in Guizhou, he was entrusted to take over in Chongqing when the city's former Party chief Sun Zhengcai was investigated months before the 19th Party Congress in 2017. Chen is considered a close ally of Xi, and worked under him when Xi was Party Secretary of Zhejiang, helping write his weekly columns for the provincial Party newspaper. Chen joined the Politburo in 2017.

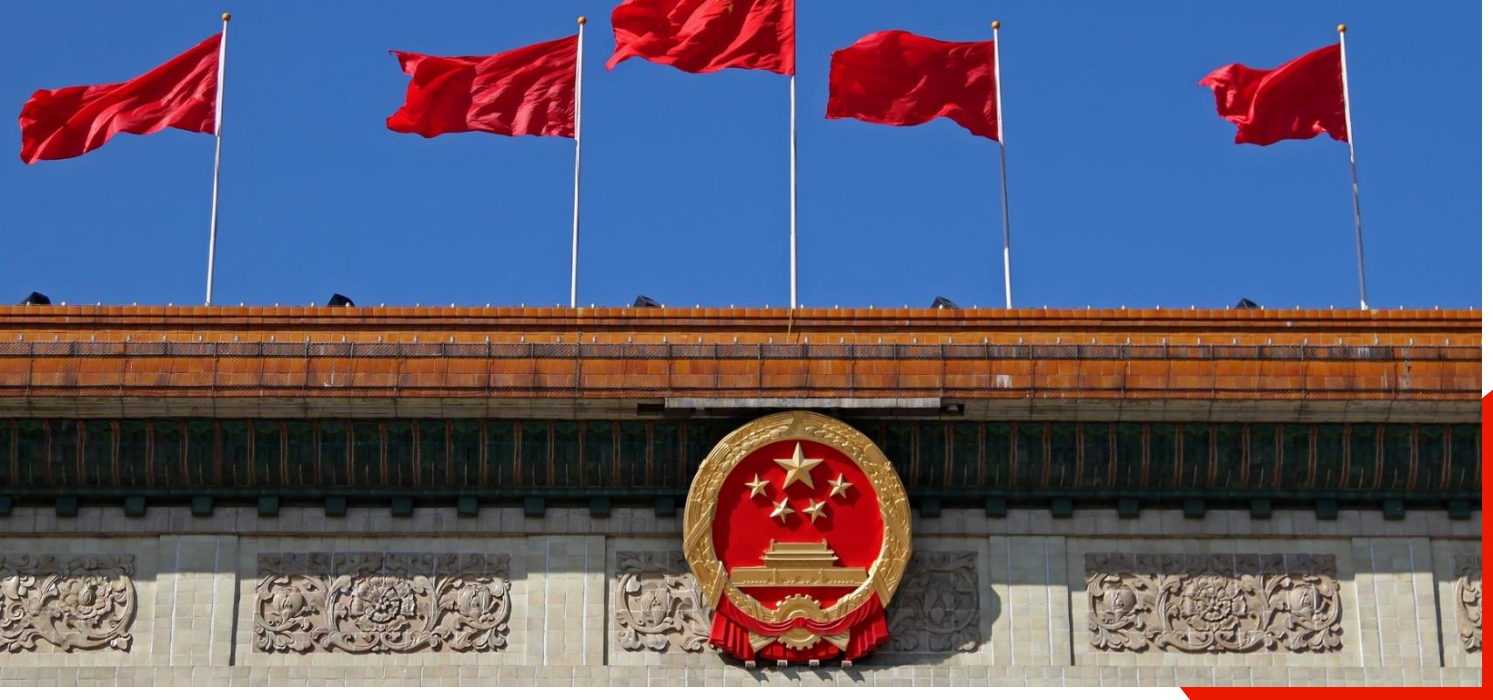


**Yuan Jiajun (袁家军)**, 60 years old, has served as Party Secretary of Zhejiang since 2020 after being appointed as its Vice Governor in 2014 and Governor in 2017. Yuan built his career in China's space industry through the 1990s and was a chief architect of the country's Shenzhou spaceship program before entering politics in Ningxia in 2012. Yuan joined the Politburo this year.



**Huang Kunming (黄坤明)**, 65 years old, has led the Party's Publicity Department for the past five years. Before moving to Beijing in 2013, Huang built his career in Fujian through the 1980s and 1990s before transferring to increasingly senior roles in Zhejiang, including serving as head of the provincial propaganda department. Huang is considered a long-time ally of Xi having worked with him for nearly two decades in Fujian and Zhejiang. Huang joined the Politburo in 2017.





# Party Congress Backgrounder

## The Communist Party of China

The Communist Party of China (“CPC”) was founded in 1921 and today has more than 96 million members, including government officials, military officers, state-owned enterprise workers, private businesspeople, farmers and students.

Membership grew from less than 40 million members at the 12th Party Congress in 1982 to 66 million when Xi Jinping took the helm of the Party at the 18th Party Congress in 2012. Over the last decade, more than 19 million members were added.

## The Party Congress

The National Congress of the Communist Party of China, or simply the Party Congress, is held every five years and is the most important gathering in China’s political calendar.

The Party Congress convenes senior Party representatives that elect full and alternate members of the Central Committee. The Committee convenes in seven plenums during each five-year Congress session.

Held October 16-22, this year’s 20th Party Congress assembled 2,296 delegates from across the country, ministries, and industries. The Congress sets the course for the Party, government, and country over the next five years.

A day after the close of the Congress, the Central Committee held its first plenum and elected members to the Politburo and Politburo Standing Committee, the Party’s supreme decision-making body.

## The Central Committee

The Central Committee of the Communist Party of China (“CCCPC”) is responsible for managing the Party’s affairs, with each Central Committee holding power for a five-year term.

The current Central Committee includes 205 permanent members and 171 alternate members who were elected to the Committee during the 20th Party Congress. Among this group, 184 are new to the Committee. Appointees to top Party and government positions, including the leaders of China’s provinces, are drawn from the members that make up the Central Committee. One of the key functions performed by the Central Committee during the First Plenum was electing the Politburo (24 people) and in turn the Politburo’s Standing Committee (seven people).

## The Politburo and Standing Committee

The CCCPC is led by the 24-person Political Bureau or “Politburo” and its seven-person Standing Committee. The CCCPC is responsible for appointing the General Secretary, members of the Politburo, the Standing Committee, and members of the Central Military Commission.

# Brunswick Group

## Brunswick is an advisory firm specializing in business-critical issues.

Our team has unparalleled experience advising companies on China-specific risks and opportunities, including the rapidly evolving geopolitical environment.

Brunswick is one firm globally. Delivering anywhere, we have a reputation for high-caliber, highly experienced people who have diverse backgrounds and skills.

It means whatever the task, no matter how complex or where it is in the world, we can assemble the right expertise from across the firm.

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