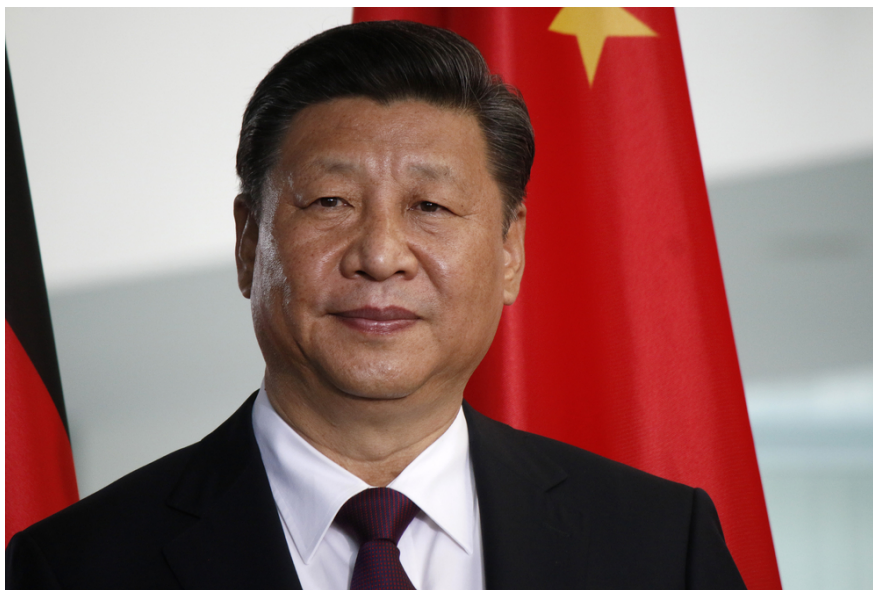


## China's Xi cements position in history

As Xi Jinping's Thoughts are included in the Party's revised charter and Wang Qishan steps down from the top rung, Xi consolidates his position



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### What to note on the closing of the 19th congress

Two things to note on the closing ceremony of the 19th Congress.

First, Xi Jinping's Thoughts are approved in the Party's revised charter, which suggests Xi has consolidated his power. Second, Wang Qishan is no longer a member of the Politburo Standing Committee, the Communist party's top rung.

Before today's decision, Wang Qishan, who headed the Party's Central Commission for Discipline and Inspection was seen as a particular case. Not only because his central role at the centre of the anti-graft campaign but also because he could break the rules to let Xi stay on beyond 2020, even after he reaches the retirement age of 68.

We believe that "Xi Jinping New Era Thoughts" now represents the bible of the Communist Party, and this will allow Xi to implement political and economic reform even more efficiently going forward.

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*Tomorrow, we'll have a better sense of who will be Xi's heir, if anyone*

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It's clear to us that the anti-graft campaign will continue, which is favourable for China's long-term growth and the continuation of economic reform also means that deleveraging will continue. In the medium term, this means material sectors would experience supply cuts ordered by local governments that only the largest company in the sectors could remain in business.

As expressed in the opening speech, technology will be the centre of economic growth in the coming 15 years, via consumption, education and even military power.

We think the concentration of power will facilitate faster and better results as economic reforms will run smoothly towards their targets. However, the risk is that if wrong decisions are made within a small group of people with absolute power, then it could potentially place economic growth at risk. And how quickly the government could correct any wrong decisions will be critical for future growth.

But tomorrow we'll have a better sense of who will be Xi's heir if anyone.