Five-Year Plan, 15-Year Vision

CHINA EMBARKS ON PATH TOWARD SELF-SUFFICIENCY

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China's 14th Five-Year Plan – Prosperity Amid Uncertainty

China has announced its latest Five-Year Plan. Acknowledging external challenges, prosperity through self-sufficient growth is the new mantra.

Charting a Growth Path to 2035

Beijing chooses to think very long term

After nearly a year in the making, China released the details of its 14th Five-Year Plan (2021-2025) after a leadership plenum in late October. Despite the title, the country is fully aware that the word is embarking upon secular changes sure to extend beyond the plan's tenure. As a result, Beijing has chosen to think even longer term and has established targets and expectations for 2035.

Much of the plan revolves around technological innovation in a bid to create growth and employment. While such aspirations are not new, the realization that global conditions are radically different from five years ago has given innovation a new purpose: self-sufficiency. Weak overseas economies can no longer generate the demand, while the retreat of globalization and worsening trade relations also risks cross-border supply chains. As "dual-circulation" enters China's development lexicon, the new five-year plan is as much about the country weaning itself away from the rest of the world as generating enough domestically driven growth.

More details on the execution of the Five-Year Plan will be released next year. Nonetheless, the strategic targets have already been announced and this piece looks at some of them in detail: dual circulation (especially domestic), innovation and technological prowess, the domestic economic structure and a green future. We also highlight some international ambitions, such as expanding One Belt One Road, further opening up of the economy and reshaping global governance.

The 15-year targets in the Plan also serve to underscore China's ability to think long term, but there will be challenges along the way, How successful the country is in achieving its goals will have far-reaching implications for the world.

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The Growth Target Stays - Indirectly

5% over 15 years to double the size of the economy

There has been genuine debate inside China for several years now over the relevance and necessity of a growth target. The annual National People's Congress sessions, where economic targets are set, have grappled with the issue and the last few years have certainly seen greater flexibility in its deployment and application. The current Premier Li Keqiang himself once expressed doubt over the reliability of GDP figures and preferred a composite of real economic activity such as power consumption and cement usage. Over time, ranges have become more preferable, while this year the pandemic meant that the entire exercise had to be delayed and relevance was lost in the process.

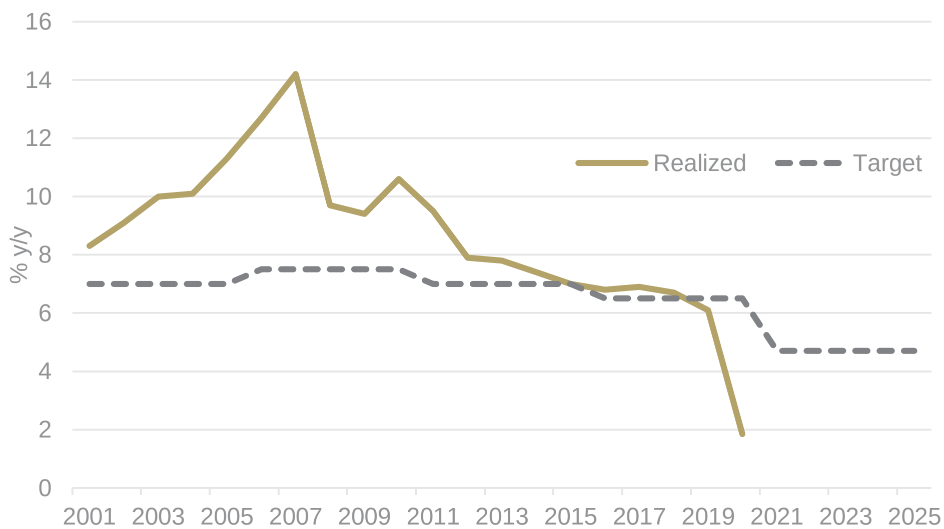
On the face of it, the 14th Five-Year Plan (FYP) has certainly taken the route of "no hard target", and for good reason. Despite China's relative success in containing the virus, the country remains largely sealed off and severe disruption from the external sector means that the economy cannot operate at full capacity. In the short to medium term, China may struggle to even realize potential growth so flexibility is certainly necessary.

However, at the outset a new long-term objective for 2035 was established: China is expected to "largely realize socialist modernization" by that year. Specifically, this means achieving GDP per capita of a "moderately (or mid-level, depending on the translation) developed country". Again, we underscore that the FYP itself does not contain a corresponding numerical target, but during his remarks at the plan's launch, President Xi Jinping remarked that "it is fully possible for China to realize *a doubling* of the size of the national economy by 2035". Assuming the doubling happens in real terms, this comes to around 4.7%y/y p.a. real GDP growth over the next 15 years.

Realized Growth vs. Planned Growth

Growth targets as listed in five-year plans

SOURCE: Government of China, Bloomberg



The chart above shows China's realized GDP growth versus targets laid out in the last four FYPs dating back to the beginning of the century. It is clear that growth targets for the 10th and 11th FYPs (2001-2010) were simple growth "floors" and were easy to overshoot. However, over the past 10 years growth targets have been set more in accordance with China's fundamentals and there has been open

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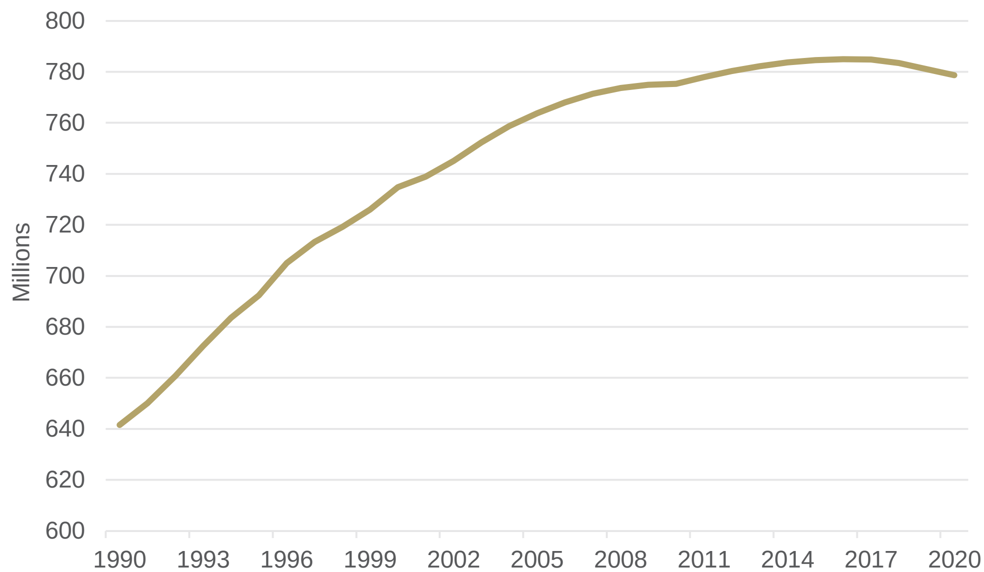
acknowledgement that Chinese growth is facing structural headwinds. Most notably, the country has lost its demographic dividend and the labor force has been shrinking since at least 2016 (according to the International Labor Organization – see below chart), if not earlier. In addition, much of the growth during the first half of the past decade was driven by investment-intensive industries, which led to well-documented debt problems for the economy. Before COVID-19 struck, the authorities had been putting the economy through a rather painful deleveraging process to deal with legacy debt issues, which further inhibited growth. These headwinds remain in place even before we bring in external concerns.

China Labor Force

Active labor force, in `00 million people, including projections

SOURCE: World Bank



We note that this is not the first time China has set a longer-term GDP-related target to guide growth. The 18th Party Congress in 2012 established a target of doubling national GDP and per capita GDP from the 2010 level by 2020: without the pandemic this would have been largely achieved as the economy grew by 89% in real terms between 2011 and 2019. While China is certainly no longer the centrally planned economy of yesteryear and the leadership realizes that GDP targets are too blunt an instrument, they still retain value in guiding regional and local planners to meet their respective objectives.

As things stand, the 4.7% target over 15 years actually does not seem unrealistic and takes into account the country's fundamentals. After all, allowing for a lengthening of the next doubling of GDP from 10 years to 15 years is an admission of lower trend growth. Nonetheless, we wouldn't consider the 2035 target as overly ambitious. Based on the IMF's latest projections, China's GDP is expected to grow by close to 6% p.a. and a cumulative 35% in real terms over the next five years. By extension, it means the GDP doubling target for 2035 is achievable with a 4% p.a. growth rate between 2026 and 2035.

As long as the state-led model for growth remains, expect growth benchmarks to continue featuring prominently. At all levels of the country, such targets represent the level of growth needed to create enough jobs for labor force entrants. Looking ahead, having a job is not enough as quality matters: only high value-added jobs can deliver the income growth for an aspiring middle class, and this is where the new FYP departs radically from previous iterations.

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Self-Sufficiency Through Innovation

Moving up the value chain is now a necessity

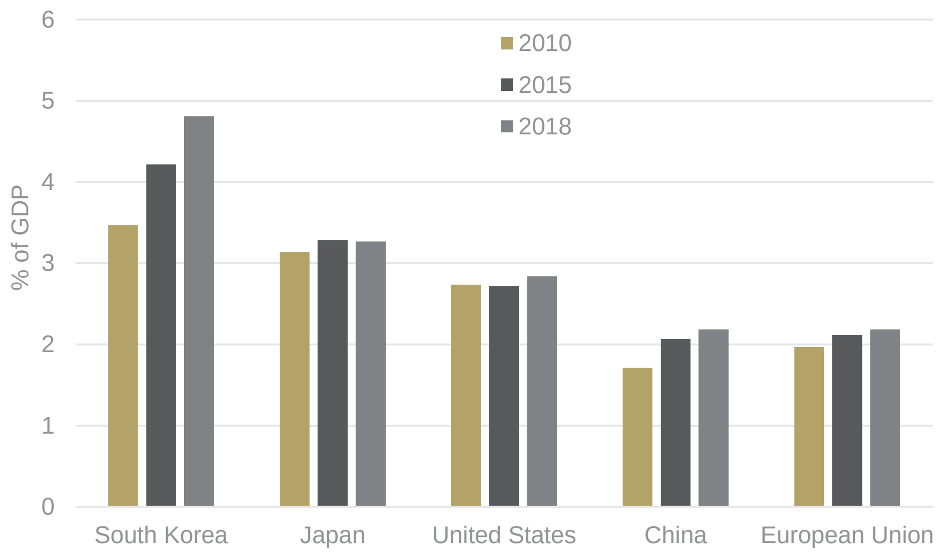
There is a time-honored tradition in China of tallying up the frequency of key words and phrases in every strategic document released by Beijing. In the 14th FYP, "reform" once again assumes its customary leadership with 49 appearances, but "innovation" was not far behind with 47 mentions – a fact state media was keen to highlight. While innovation has always been part of development initiatives, its precedence in the 14th FYP is clear to see and likely forms the core of national investment plans. The title of the first strategic priority (out of 12 specified in the plan) sets the tone: "*Resolve to let innovation drive growth, to comprehensively create new advantages in development*."

China has indeed been making waves in recent years regarding radical advances in its technological prowess, but this has been achieved despite relatively low levels of R&D spend relative to GDP. As the chart below shows, China remains well below the US, Japan and South Korea in R&D spend and only recently surpassed the EU as a whole by this measure.

Research and Development 2010-2018

Total spending relative to nominal GDP

SOURCE: World Bank



The country has not yet shed its image as the world's factory floor: the ubiquitous "*designed elsewhere, assembled in China*" tag on devices means that very limited value-add of high-tech products remains in China. While manufacturing continues to serve as a necessary end to employment and is likely to remain so, Beijing's hope through "strengthening national strategic technological prowess" and "improving technological innovation capabilities" as spelled out in the FYP, means that future products will proudly state "designed in China, assembled in China".

To achieve these goals in innovation, the FYP does acknowledge that China must get the basics right and it starts with the people. In a not-so socialist statement for a "modernized socialist society", the FYP clearly states that distribution of rewards must take into account aspects such as knowledge and technical expertise. In short, those who innovate should be handsomely rewarded for doing so and have their patent rights protected, otherwise the best talent cannot be retained within the country. Given how much new tech-related wealth has been created in the country

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(especially on the Shanghai STAR board), outside observers would note that the talent market is already is doing its job. However, for such principles to be enshrined in the FYP is clear evidence that Beijing fully embraces the need for individual and national incentives to be aligned in such a manner.

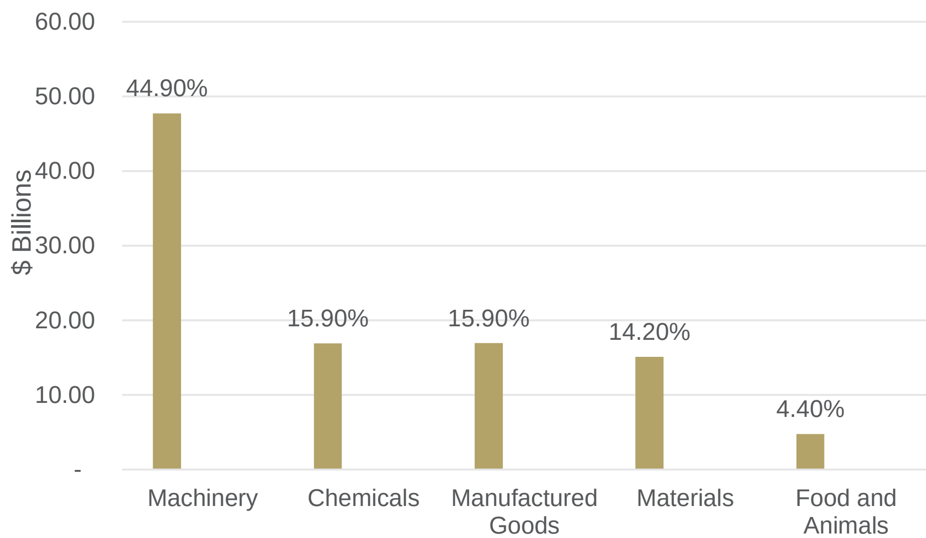
Perhaps the most prominent aspiration in the FYP is for domestic innovation to re-shape China's industrial production and supply chains. This is also a tacit admission that despite the rapid improvements made over the past decades, the Chinese tech industry, in particular the highest value-added segments, remains painfully dependent on overseas suppliers and is subject to the whims of geopolitics.

As the chart below shows, despite all the headlines generated by hogs and soybeans during the Sino-US trade dispute, food and live animals account for barely 4.5% of US exports to China. In contrast, the high value-added segment of machinery and transport equipment accounted for almost half. The dependency is even more acute in sectors such as telecoms where China has limited indigenous expertise. In 2018, after sanctions were imposed on a leading Chinese telecoms equipment company, its admission that US companies supplied a quarter of the components and 70% of chips fully exposed China's industrial dependency.

US Exports to China

2019 total, value and share of total exports

SOURCE: US Census Bureau



The Trump administration renewed its supply chain ban on Chinese telecoms companies in 2020 and even with a change of government in Washington D.C., China does not expect its supply chain situation to improve in the near future. As such, the FYP sets out a strategy for China to first "upgrade" and "modernize" its domestic production capabilities and resolves to achieve a "self-determined, self-controlled" supply chain design and implementation.

This is the core of the self-sufficiency push that is a strategic imperative for 2035. While the battle for control over components for technologies of today may be hard to overcome, China hopes that through innovation, it will take a lead in the technologies of the future – created with a built-in self-sufficient supply chain. Finally, China is fully aware that the direction of travel for geopolitics means that there may not be a large enough external market for its self-innovated products. This is where the grand design of "dual circulation" comes in, as self-sufficient supply is meaningless unless it is underpinned by strong domestic demand.

It Begins and Ends in China: Dual Circulation

Workers of China, consume!

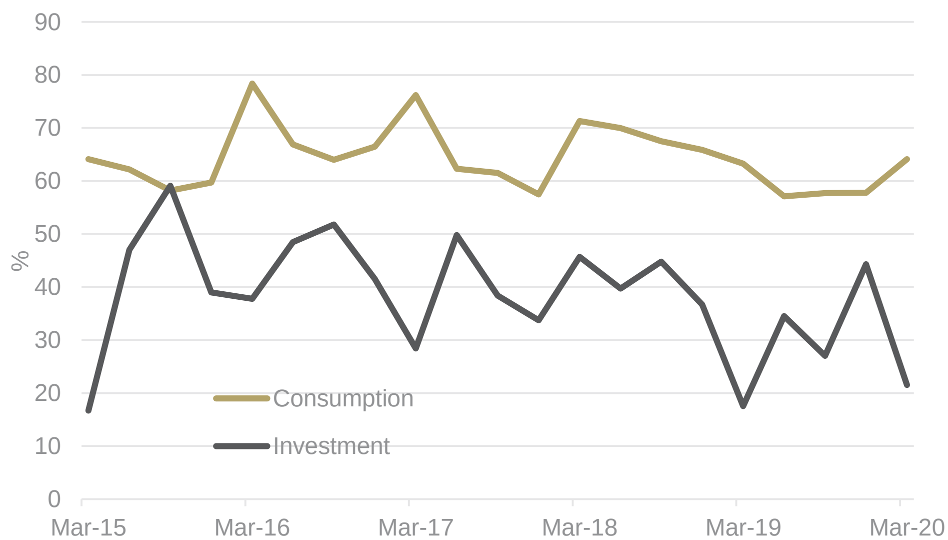
The concept of “dual circulation” was launched by the government during the first half of the year and in many respects set the tone for the 14th FYP itself. The Sino-US trade dispute and toughening of access to overseas markets for Chinese companies has prompted a fundamental rethink of growth drivers by the country’s economic planners. Stimulating domestic demand to displace investment and exports as growth and employment drivers was always a long-term goal, but increasingly adversarial international conditions have forced China to accelerate its plans to rebalance the economy.

Furthermore, the weak growth trajectory of China’s major export markets (not helped by the pandemic) has forced China to realize that even during times of geopolitical calm and warm foreign relations, the demand simply is not going to be there. Consequently, the “great internal circulation” where final demand is domestic, underpinned by a domestic supply chain, is the only way to generate sustainable growth to achieve the stated long-term target.

Contribution to GDP Growth (%)

Consumption and Investment

SOURCE: National Bureau of Statistics



The aforementioned supply chain self-sufficiency strategy will gradually lift production-based demand but the biggest source of unlocked growth lies in services. Despite the push for rebalancing in recent years, as the chart above shows, consumption as a contribution to China’s GDP growth has stagnated in recent years. The 14th FYP explicitly calls for “comprehensively promoting consumption” and to increase scope for consumption itself to become a “fundamental driver” for growth.

The government has acknowledged that some institutional changes are needed to boost general propensity to consume, such as strengthening consumer rights protections, to a formalized structure for holidays and paid leave. The biggest fear is that China may become like another Germany or Japan, whereby a move up the value chain and material real income growth have not translated into any meaningful lift in consumption intent. Implicit in the push to rebalance consumption’s contribution to GDP growth also implies a rebalancing in employment creation toward services sectors. As manufacturing and production move up the value chain, job losses in these sectors are inevitable and services will be relied upon to absorb labor market transition and new entrants.

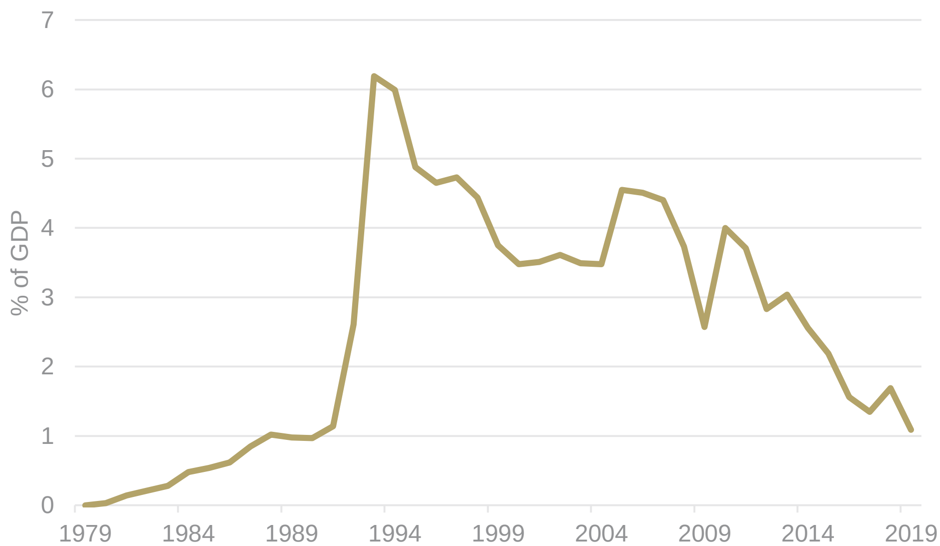
Nonetheless, China is not fully abandoning investment growth as a source of demand. Productivity growth through human capital and innovation may take precedence but these plans do not conflict with traditional, more capital-intensive forms of growth such as infrastructure. The speed at which China is still able to deploy infrastructure projects sets it apart from developed countries and the concept of "new infrastructure" seeks to combine the aforementioned innovation push with conventional large project-based development – the Greater Bay Area is at the fore of such efforts. To avoid wasteful spending on low-return initiatives, the 14th FYP explicitly encourages private sector investment to leverage state support, thereby allowing the market to play a bigger role in investment allocation.

Ever since the dual circulation strategy was established, international investors have wondered whether Beijing is turning its back on the world and have also queried whether in doing so, it risks a fundamental shift in balance of payments for which the country is still ill-prepared. Firstly, the strategy seems designed to anticipate a gradual erosion of export earnings. Secondly, many of the industries specified in the FYP are strategic in nature and are highly unlikely to be open to foreign investment and deter foreign direct investment (FDI) based capital flows.

FDI Inflows Into China

Measured as % of GDP, net basis

SOURCE: World Bank



The 14th FYP has fully anticipated these concerns. In the sole paragraph (out of 60 in the FYP document) with a nod to "external circulation", China hopes that ever-rising domestic demand will be reflationary for the whole world and support external demand. In addition, there is space to attract foreign investment in a "coordinated" manner, with the ultimate aim of mainlining stability in balance of payments. Yet, it does not appear Beijing is counting on FDI as a funding source in any case. FDI as a share of GDP has collapsed since the highs of the early 1990s. Geopolitics and institutional differences aside, China's move up the income brackets has reduced its competitiveness for conventional forms of FDI. Deglobalization and reshoring will simply accelerate these trends. In the same paragraph, China only hopes to develop and succeed in areas where it has a "*comparative advantage*". If these sectors can continue to generate external demand and inward investment to support balance of payments, then it will be welcomed. However, the burden of future growth will fall squarely on a new domestic generation of prodigious, digitally savvy spenders.

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International Ambitions, Domestic Context

Strings attached to green goals and outbound investment

At the 2009 Climate Change Conference in Copenhagen, Sino-US relations were so strained that at one point then-Chinese Premier Wen Jiabao refused to even meet with President Obama, while the latter chose to publicly force his way into a meeting between China, India and Brazil to get an audience. The summit ended acrimoniously with Washington blaming the lack of strong agreement on Chinese recalcitrance. China responded by stating that slowing emissions aggressively would jeopardize domestic growth and challenge the country's path toward prosperity – a well-rehearsed trope used by previous generations of officials.

A decade on, China's damascene conversion is complete. In September, President Xi Jinping announced that China will aim to hit peak emissions before 2030 and carbon neutrality by 2060 – 10 years behind the European Union's goal, but even having a carbon neutrality goal in itself was a surprise to many. A green transition has not come overnight: toward the end of his tenure, former PBoC Governor Zhou Xiaochuan moved aggressively on the need for sustainable growth and he has been a leading advocate for a green shift in the structure and financing of China's growth since he stepped down from the role.

Section 10 of the 14th FYP is titled "*Push for Green Growth, Promoting Co-existence between Humanity and Nature."* The first paragraph in the section sets out peak emissions in 2030 as a matter of policy but the 2060 neutrality target is omitted. Institutional and legal reforms are also explicitly mentioned, in addition to the development of markets and exchanges for sewage disposal and carbon emissions rights. Focus areas for development include green innovation (obviously), clean production and environment protection industries, and green finance.

While the leadership may appreciate international support for its efforts, domestic opinion is certainly changing as the rising middle class increasingly focus on the quality of life: public protests against pollution are not uncommon in China. As we highlighted in the previous sections, Beijing acknowledges that the lack of institutional protections for households can inhibit spending and damage growth prospects. Environmental protection is becoming as important as social security and health insurance in guaranteeing a higher quality of life.

The additional investment into green-related innovation and its growth benefits are patently clear. As the world goes green, demand for renewable energy sources and other environmentally friendly technologies is a major growth area, and could comprise part of the "external circulation" to complement exigent domestic demand in this field. Green jobs are now part of almost every major government manifesto in the developed world and the 14th FYP is no different in this respect.

Finally, although the entire green section in the FYP does not mention international cooperation (or even exports), China does see an opportunity to play a leading role in the governance of a major international growth and economic initiative for the next generation. It allows Beijing to put clear daylight between its own position and that of the last US administration while providing the technological solutions to back up the position. This approach underscores the main international priority in the 14th FYP: "to *proactively participate in <u>reforming the governance</u> of the global economy.*"

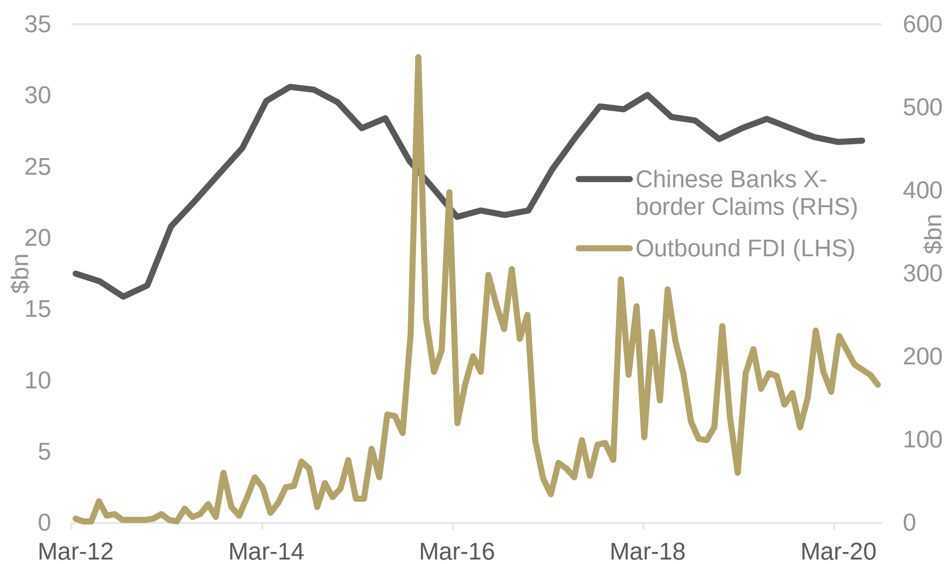
China and other emerging markets have long chafed at the outsize influence of developed countries in international institutions, especially the WTO, World Bank and IMF. Seeing Bretton Woods institutions as a relic of history, Beijing has spearheaded efforts to create alternatives such as the Asian Infrastructure and Investment Bank. Some alternatives have worked more than others, but China also knows that it has to work within existing structures to make its influence felt. Based on the FYP, the G20 appears to be the preferred forum where China will continue to push for multilateralism and bilateralism, and attempt to play an important role in setting rules for new economic paradigms. The commitment to free trade is there, in addition to an ambition to establish *"networks of high-standard free trade zones"*, but China hopes that the trade system is one where it has a greater say.

Akin to its "dual circulation" view of the world, Beijing no longer expects its case to receive a proper hearing externally, and even literally on trade: the WTO is now, in effect, comatose as the Appellate Body that covers dispute settlement no longer has enough judges, because the US continues to block new appointments. We note that this is a process that began under the Obama administration so any change in the White House is not expected to improve the WTO's predicament. As such, China will likely continue to push for new structures parallel to its G20 and regional efforts to maintain its influence on international economic governance.

FDI Outflows and External Financing

Measured in $bn

SOURCE: State Administration of Foreign Exchange, Bank for International Settlements



The only structure that gets a specific mention is the now well-known One-Belt One-Road (OBOR) project. "*Green, open, with integrity"* is the FYP's pledge for the project – perhaps a tacit realization that OBOR still has an image problem: issues such as lack of environmental standards (locally, outside China) and putting countries into unsustainable debt positions have led to growing reluctance in various countries to accept funding. This has led to acute issues this year as the pandemic forced China into difficult conversations on debt forgiveness.

OBOR comprises an important part of the "external circulation" where China's expertise (and excess capacity) can be exported to the benefit of domestic growth, influence and other channels, such as renminbi internationalization. Greater transparency in funding, contract bidding and governance will help the project. While such principles have theoretically always been in place and are spelled out in the FYP, China should not expect OBOR to have any easier a ride in the coming years.

Growth Is Perhaps the Easier Part

Demographics and deleveraging are destiny

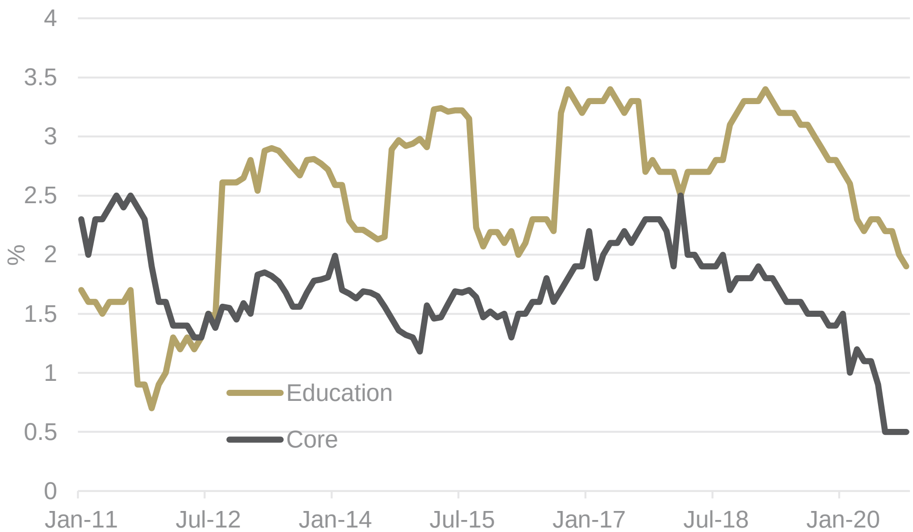
If there is one paragraph out of the 60 in the document that keeps the leadership up at night, it is probably paragraph 47: *Implement proactive national strategy to tackle an aging population*. Despite the robust title, the bulk of the paragraph is actually a strategy to harness the productivity of the elderly and develop a better national care system and industry. The FYP doesn't even try to pretend that the country will not age – this destiny is already accepted and it is just a question of making the best of it in economic and social terms.

Unlike the (in)famous Japanese growth strategy of 2012, there isn't an outright population target designed to manage the contraction. The FYP continues to favor "quality" of births, does not give an opinion on quantity but vestiges of family planning have been phased out over time. There is one specific area that will be music to the ears of the Chinese middle class: *"decrease the cost of childbirth, childcare and education*".

Education vs. Core Inflation in China

Y/Y

SOURCE: China National Bureau of Statistics



For China, entering middle-income (and high-income for Tier 1 Chinese cities) status brings middle-income problems. Like many developed economies, education inflation has been outpacing general inflation and become a deterrent to births. Childcare is even more problematic as the structure of China's demographic pyramid means family-based childcare may not be as available to households as in the past. China is currently undergoing a national census and contrary to previous years, the end result may actually undershoot current estimates. Demographic estimates suggest that China will reach its population peak within the next five years (if not already) and the economic implications are stark.

It is somewhat surprising that the FYP did not include more strategies to address the fallout, though it is possible that new initiatives will be launched as soon as the census is complete. There have long been plans for a national childcare system to be rolled out but the distribution of costs of such a scheme are unclear, especially the burden on provinces and localities. Local government revenue growth has been falling in recent years and the pandemic has forced a new wave of debt issuance, once again bringing to the fore a long-standing risk to China's growth: leverage.

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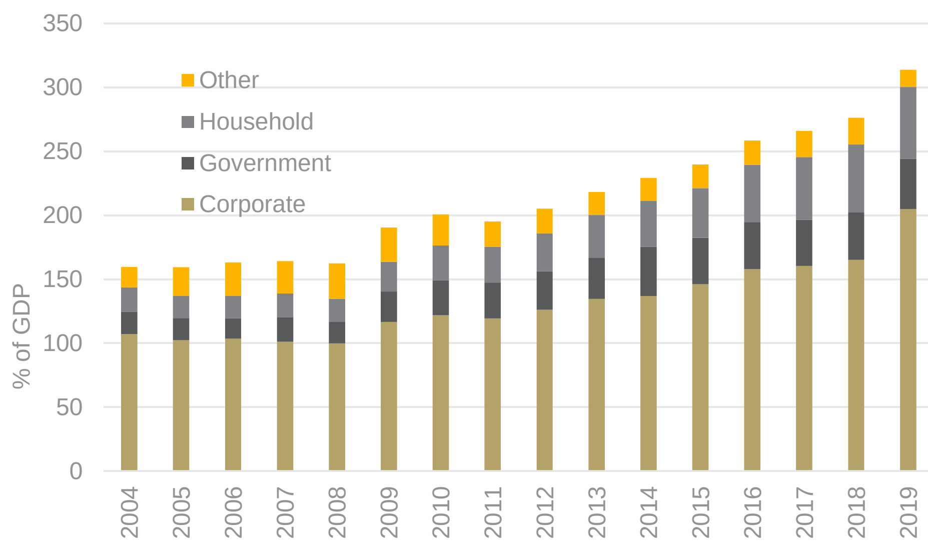
The word “debt” shows up only twice in the FYP. As is the case with governments worldwide, the need for stimulus during the pandemic has obviated the need for fiscal targets. In addition, China’s overall fiscal boost this year is considered small by IMF standards and over the medium term the growth targets are perhaps sufficient enough to contain excessive leverage growth. The FYP does spell out a need to establish a well-developed government debt management framework but compared to previous years, domestic and international investors generally see the situation as manageable. The central bank, regulators and government showed teeth in deleveraging the economy (at a cost to growth) before the pandemic so there is enough credibility to bank on. As official data and our iFlow data indicate (pages 12-13), external demand for Chinese government bonds (CGBs) has been one of the highlights of the year for China and we expect this to continue through the current FYP’s tenure as index inclusion and inbound flows continue.

Distribution of Chinese Debt

Measured in % of GDP

SOURCE: Bloomberg LP, BNY Mellon



As the debt distribution above specifies, corporate leverage is the bigger problem in China and the corresponding risk on banks’ balance sheets is never far away from the surface. Every year, the central bank releases its financial stability report, which involves a stress test with some rather uncompromising scenarios.

The 2020 iteration was delayed from its usual summer publication date due to the pandemic and the downside scenarios for growth were revised accordingly. The base case for Chinese growth remains at 6% or so – in line with the assumptions detailed in the FYP (see page 3 of this report). Under the “severe shock” scenario, growth would fall below 5% in 2021 and 4% in 2022. The resulting rise in non-performing loans (to 13.4% by end of 2022 from 1.5% presently) and corporate bankruptcies would result in 30 major banks tested with combined capital ratios falling below regulatory requirements and half would fail stress tests.

If China’s banking system faces such challenges with sub-5% growth presently, a long-term strategy is therefore needed when China’s growth actually does converge to those levels toward the end of the 2035 timeframe. It is also questionable whether China is willing to countenance a cost to growth arising from a deleveraging strategy, as was seen between 2017 and 2019. The specified growth rates in the FYP also means growing out of debt is not an advisable strategy either. Capital controls mean China can manage the risk for an extended period, but a path to resolution is needed over the longer term.

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Buying Into the Plan

Global investor demand is strong as China seeks to define its role

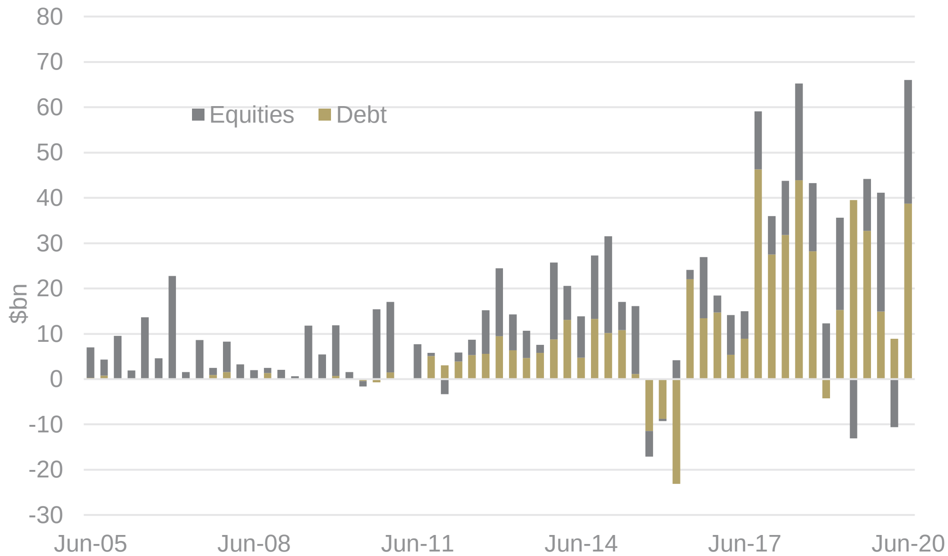
As we have highlighted in this report, in the instances where international cooperation is mentioned, much of it is expected to happen on terms where China wishes to expand its influence, though in a way commensurate to its economic status. Even in the paragraph (#39) on further opening up, the plan sought to highlight opportunities “opening up” can bring for regions (such as the Hainan Free Port) and renminbi internationalization, including an ambition to create *“mutually beneficial cooperative relationships based on free usage of the renminbi”.*

It is clear that China expects its international partners to use the renminbi more widely over the medium to longer term. As is the case with supply chains, financial self-sufficiency and independence means China needs to establish the ability to insulate itself from financial sections in a world where the US dollar dominates. Renminbi internationalization is one channel to achieve this, but financial innovation in areas such as a central bank digital currency portends a major leap in the ability of China to extricate itself from the dollar system.

Capital Inflows Into China (1)

Measured in $bn, net incurrence of portfolio assets and liabilities

SOURCE: Bloomberg LP, International Monetary Fund



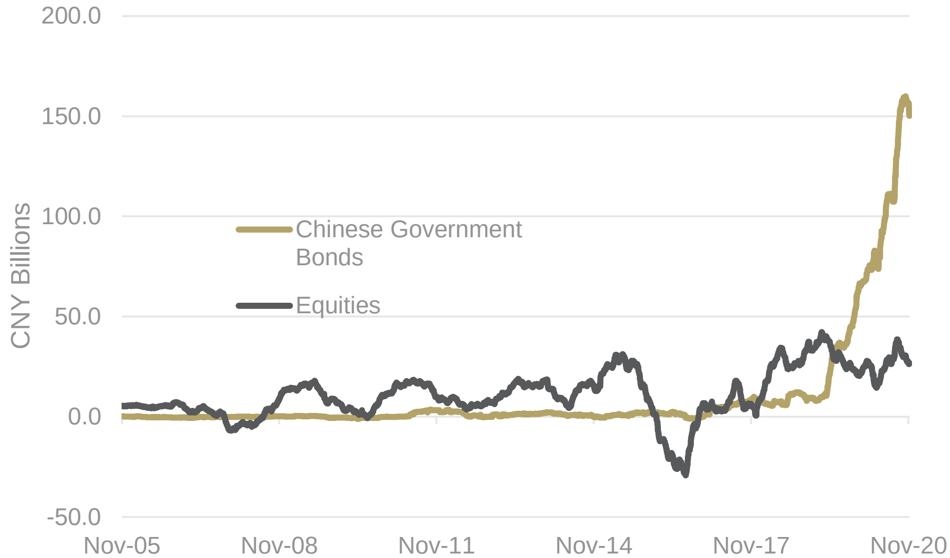
On the other hand, there are plenty of opportunities for the rest of the world. Pledges to further reduce the negative list for inward investment are ongoing, as are efforts to enshrine legal rights for foreign investors in China – a common concern which has impacted FDI in recent years on top of other structural trends. Where the FYP mentions international cooperation, free trade agreements and investment treaties are certainly on the table. While China has had to borrow from pre-established templates in the past, Beijing will want new agreements with its own characteristics and likely want to have the ability to exert some degree of final control over areas of the economy it deems strategic. This is consistent with the aforementioned “global governance clauses” which China would like to change.

Such moves have been in motion for some time (the EU is currently negotiating a bilateral investment treaty with China) while portfolio flows have resumed in earnest (see chart above) after a pandemic-related blip at the beginning of the year: combined equity and bond flows reached a record $66.2bn in Q2. Given the price action and improvement in risk sentiment in Q3, flows likely accelerated.

Capital Inflows Into China (2)

Measured in CNY bn, 1y rolling sum, purchases of Chinese government bonds and equities

SOURCE: iFlow Monitor, BNY Mellon



We highlighted in the previous section that the bulk of the portfolio flows into mainland China at present are seeking exposure to government debt. As the chart above, which uses BNY Mellon iFlow data, shows, in contrast to equity purchases, the last 18 months has seen a structural lift in overseas interest in this asset class, and is indicative of broader interest in holding Chinese assets for the long haul. Even on a passive basis, volumes will rise due to current low weightings in portfolios and index inclusion in both equities and bonds.

On the other hand, the concentration in CGB interest also points to a lack of market access and inadequate risk pricing of other asset classes, such as onshore equities (accessibility largely limited to Qualified Foreign Institutional Investor quotas and the Shanghai-Hong Kong Stock Connect) and corporate bonds. While not specified in the FYP itself, a fully fledged and internationally credible ratings system is a part of China's liberalization ambitions, and absolutely critical if international investors are to move into China in a more diversified way.

China's five-year plans are designed for domestic consumption in normal times, but the 14th version – with actual domestic consumption dominating proceedings – at first glance seems to leave even less for international investors and the global economy. If dual circulation means that China is moving away from external demand, then in the worst case scenario, a move away from external funding may become collateral damage. For now, we do not see such a prospect and passive investments into bonds and equities will continue.

The new industries and investments in the FYP will create new opportunities: Beijing has openly called for innovators to come to the country and is happy for them to make their fortunes in a "modernized socialist economy". The vision is in place and China remains happy to continue sharing the fruits of growth, but the country just needs a plan B in case the rest of world decides to walk away. It has given itself 15 years to put that plan in place.

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