

State Council takes action on trade

Cabinet pledges expansion of cross-border e-commerce pilot zones and support for exports and imports



By XU WEI
xuwe@chinadaily.com.cn

The State Council has adopted measures to help businesses explore diversified international markets as China ramps up efforts to stabilize foreign trade amid rising protectionism and ongoing trade frictions with the United States.

Some analysts, meanwhile, have stressed the need to balance imports and exports to boost domestic consumption and promote the upgrading of the manufacturing sector.

The cabinet decided at an executive meeting chaired by Premier Li Keqiang last week that China will sign more top-quality free trade agreements and regional trade agreements and expand cross-border e-commerce pilot zones.

Businesses will be encouraged to improve their international trade networks, and the authorities will offer incentives for the export of products that suit the demands of the international market, a statement released after the meeting said.

The meeting also underscored the importance of proactively increasing imports and enabling the balanced, stable and healthy development of both exports and imports.

During a visit to Hangzhou, Zhejiang province, on Wednesday and Thursday, Li underlined the role of cross-border e-commerce in enabling more businesses to take part in international trade.

China's exports grew by 7.7 percent year-on-year in May, registering a total volume of 1.43 trillion yuan (\$205 billion), according to the General Administration of Customs.

The volume of imports reached 1.16 trillion yuan, down 2.5 percent year-on-year.

Meanwhile, trade with the US fell 9.6 percent to 1.42 trillion yuan in the first five months of the year. Exports to the US were down 3.2 percent, while imports fell 25.7 percent, the customs administration said.

Some analysts have expressed cautious optimism over May's trade data, suspecting that Chinese exporters may have rushed out shipments to the US to avoid new tariffs on \$300 billion worth of goods threatened by US President Donald Trump.

Ren Zeping, chief economist of property developer Evergrande Group, said the rise in exports in May was partly driven by exporters front-loading US-bound exports, as was evidenced by the 4.2 percent increase in shipments of machinery and electronic products, a main category of Chinese exports to the US.

"Against the backdrop of trade frictions and a global economic slowdown, we expect rising downward pressure on exports in the second half," he said in a research note.

Ren warned that in a worst-case scenario, trade friction with the US could drag Chinese exports down by 4.7 percent this year.

Some experts said the slump in

imports was equally worrying, as it reflected sluggish domestic demand.

Shen Jianguang, chief economist at digital technology company JD Digits, said the slump in imports in May reflected the downward pressure faced by the economy, as the manufacturing purchasing managers' index, a gauge of sentiment among factory operators, fell to 49.4 in May.

The sluggish global market for electronics had forced Chinese manufacturers to reduce chip imports, he said, and the decline in imports of US soybeans was another factor.

Shen said that despite the upbeat exports in May, the authorities needed to implement more measures to stabilize growth and prevent financial risks.

Tu Xinquan, director of the China Institute for WTO Studies at the University of International Business and Economics, said the authorities and industry associations should play a bigger role in helping businesses go global.

"Businesses should be offered guidance over how to explore new markets and where they should

“Businesses should be offered guidance over how to explore new markets and where they should prioritize. Many have long been used to taking orders from US companies, and they don't know other channels.”

Tu Xinquan, director of the China Institute for WTO Studies at the University of International Business and Economics

prioritize," he said. "Many have long been used to taking orders from US companies, and they don't know other channels."

He added that exporters should also learn about tapping into the domestic market.

Wang Xiaosong, a researcher at the National Academy of Development of Strategy at Renmin University of China, said the country's efforts to diversify its foreign trade were reflected in the data in May.

According to the customs administration, the European Union was China's largest trading partner in the first five months of the year, with bilateral trade volume up 11.7 percent year-on-year to 1.9 trillion yuan, followed by the Association of Southeast Asian Nations, up 9.4 percent to 1.63 trillion yuan.

It is imperative for businesses that have long relied on the US market to adjust their strategies and seek diversified export channels, he said.

SHI YU / CHINA DAILY

POLICY RESPONSE

Garbage classification and food safety on governments' to-do list

By WANG QINGYUN
wangqingyun@chinadaily.com.cn

Several ministry-level departments, including those responsible for urban-rural development, transport and health, have responded recently to issues of public concern.

Garbage classification campaign stepped up



All cities at the prefecture level and above will start work on the promotion of household garbage classification this year, the Ministry of Housing and Urban-Rural Development said in a notice.

The 46 cities currently involved in a household garbage classification pilot program should set up a system to classify and dispose of their household garbage by 2020, the ministry said.

By 2022, every city at the prefecture level and above should have at least one district where all household garbage is classified, and by 2025 they should have their own household garbage sorting and disposal systems.

The ministry required all the cities to come up with an action plan by the end of this year, laying out concrete measures to achieve the goals.

Public institutions, including local governments and scientific research institutions, should take the lead in implementing household garbage classification, according to the notice. Schools should strengthen education about the topic, and the cities should encourage young people to take part in the campaign.

Villages to be connected by coach lines next year



The Ministry of Transport will work to ensure all appropriate villages are connected to coach services by next year, a spokesman said at a recent news conference.

There are more than 10,000 villages in China that have not yet been reached by coaches, spokesman Wu Chungeng said.

In order to achieve the goal on schedule, the ministry will make a more detailed road map, and will work with the Ministry of Finance on a financial support mechanism to ensure that coach lines connecting the villages will operate in a sustainable way, Wu said.

It will also collect examples from regions where rural coach lines are well developed and share them with other regions.

In the past five years, the ministry has extended coach lines to more than 7,000 villages a year on average, Wu said, adding that more than 98 percent of the country's villages are now connected by coach services.

List sets out key tasks to improve food safety

The State Council's Food Safety Commission has laid out a series of



key tasks to improve food quality and safety this year for local governments and other authorities.

The tasks include conducting risk assessment, formulating standards, reducing the use of pesticides and veterinary drugs, improving the quality of domestic-made infant formulas and guaranteeing food safety in schools, according to a list released on Friday.

Local governments and other authorities should also work to improve the quality and safety of agricultural produce, strengthen random checks for residual pesticides, veterinary drugs and heavy metals, and enhance inspections of food producers.

25,800 hotels ordered to take action on hygiene

The National Health Commission

carried out a campaign to inspect the hygiene of hotels early this year that covered more than 157,000 hotels, according to a report released on Thursday.

By the end of March, local health authorities had demanded more than 25,800 hotels address problems found during the inspection campaign and improve their hygiene conditions, and had carried out follow-up investigations of more than 3,400 hotels.

The commission asked local health authorities to carefully analyze the results of the inspection and strengthen coordination with other government departments to consolidate achievements.

They should also follow up and make sure hotels found to have broken the law rectify the situation. Hotels that do not improve their hygiene conditions promptly should be punished heavily according to law.

The commission also published two lists of hotels that were found to have committed several breaches of law during the campaign, and those that had violated the law more than once in the 12 months to March.

Policy digest

Guideline promotes scientific ethics

China needs to promote scientific spirit in the science community more effectively and improve the conduct and ethics of researchers, according to a guideline released on June 11.

The guideline, jointly issued by the general offices of the Communist Party of China Central Committee and the State Council, called for efforts to strengthen scientific ethics, promote good academic conduct and create a healthy environment for scientific research.

It stressed the importance of patriotism, innovation, dedication and cooperation among scientists so they can keep pursuing scientific truth and stay ready to help younger generations.

The guideline also appealed to researchers to focus on cutting-edge technologies and those that have an impact on the Chinese economy and to take the responsibility for solving major bottlenecks facing the country.

Scientists are also required to adhere to honesty and integrity as the bottom line in their research, according to the guideline, which also vowed zero tolerance for wrongdoing such as cheating and infringements of intellectual property rights.

The guideline also forbids more developed areas from luring talent from central, western and northeastern parts of the country by offering better salaries.

More local government bonds to be issued

China will scale up the issuance of special local government bonds to boost investment and refine the country's economic structure, according to a notice issued on June 10.

The notice, jointly issued by the general offices of the Communist Party of China Central Committee and the State Council, is aimed at pushing ahead with reform in the management of government bond issuance and stepping up coordination of policies on macroeconomic regulation to maintain reasonable and ample liquidity in the market.

The hidden debts of local authorities will be put under strict control, and increases in such debts will be curbed, the notice said. Local governments and financial institutions will be encouraged to use special bonds and other market-based financing methods to support key areas and major projects, it said.

The notice urged debt repayment obligations to be met and said provincial governments shall take full responsibility for the repayment of the special bonds. Individual investors and institutions such as commercial banks, insurance companies and fund firms will be encouraged to invest in local government bonds, it said.

Oversight of businesses' credit records intensified

China will establish authoritative, unified and accessible credit records of all market players, based on their social credit codes, to boost government oversight, the State Council decided at an executive meeting last week. According to a statement released after the meeting, the government will step up oversight of the social credit of businesses to ensure fair competition and reduce the cost of market transactions.

Information sharing between government departments will be boosted, and no government agency should repeatedly ask market players to provide information that can be shared, the statement said.

The government will develop a credit "blacklist" system and entities that have lost their social credit will be put on the list and subject to interagency punishment, including denial of market access.

The Internet Plus model will be further promoted during the government oversight process, with technologies such as big data set to be employed to make regulatory responses to wrongdoing more timely, precise and effective. The protection of credit information, trade secrets and individual privacy will be bolstered, the statement said.

XU WEI