

POLICY REVIEW

STABILIZING FOOD PRICES A PRIORITY

Premier says market will unleash farmers' potential, vitality

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The State Council has ratcheted up measures to stabilize commodity prices, especially pork and daily necessities, with steps to bolster the monitoring and forecasting of price hikes and the issuance of early warnings.

The Cabinet said after its executive meeting on Sept 26 that it will prioritize efforts to curb unreasonable price rises for some food products and maintain steady industrial producer prices.

It underscored the importance of respecting market principles and better using market methods to keep commodity prices at a reasonable level, according to a statement released after the State Council meeting.

Food prices rose by 10 percent year-on-year in August, while the consumer price index was up 2.8 percent year-on-year, the National Bureau of Statistics said. Pork prices were up 46.7 percent, while fruit prices rose 24 percent.

The Cabinet called for local authorities to cancel unreasonable bans on pig farming and ensure the supply of animal feed in main production areas to speed up the restoration of pork production capacity. The market supply of mutton, beef and poultry meat will also be increased.

It also highlighted the importance of monitoring price fluctuations of related products and ensuring market supply during holidays.

“We need to believe in the strength of the market and widen access,” Premier Li Keqiang said at the meeting.

“The vitality and potential of farmers will be duly unleashed in this process.”

As China’s economy faces mounting downward pressure, the authorities must attach even greater importance to the price of important commodities and ensuring basic public livelihood, Li said.

The Cabinet statement said more work will be done to monitor and analyze commodity price



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fluctuations in the international market and to boost regulatory control capacities to deal with rising challenges.

Ensuring the supply and stable price of natural gas this winter will also be a priority, it said.

It also called for proactive efforts to expand effective investment and to drive the development of related sectors in stabilizing production, operations and the job market.

The State Council also vowed stronger market regulation and price monitoring, saying there will be a crackdown on wrongdoing such as spreading false information and the manipulation of prices.

Local authorities must come up with temporary relief measures to ensure the living standards of poor people and key groups, the statement said, adding that temporary relief must be issued in full and on time.

The supply of meat to college, primary school and middle school canteens must also be guaranteed, it added.

China, the world’s largest pork market, has been ravaged by an outbreak of African swine fever, with the country’s pig herd down 38.7 percent year-on-year in August, according to data published by the Ministry of Agriculture and Rural Affairs.

Soaring pork prices drove the

CPI up more than 1 percentage point, according to the NBS. China has released 30,000 metric tons of pork from its central reserves since Sept 19 in a bid to stabilize soaring pork prices, according to the Ministry of Commerce.

Zhang Bin, a senior analyst with China Finance 40 Forum, said the latest round of inflation was mainly driven by soaring food prices, especially pork.

However, he noted that the price of nonfood commodities and services had fallen year-on-year, while the manufacturing purchasing managers index had indicated contraction for months.

“It showcased the headwinds of

sluggish demand and mounting deflationary pressure faced by the Chinese economy,” he said.

He called on authorities to introduce measures including interest rate cuts to boost purchasing power and expand demand.

Zhang Ming, chief economist with Ping An Securities, told China News Service that experience showed sustained pork price hikes had never lasted for long.

Pork was a highly replaceable commodity and consumers could resort to other meat when prices rose too high, he said.

“Suppliers can also expand imports,” Zhang said. “All these factors will enable a gradual price drop.”

POLICY RESPONSE

Six regions involved in logistics reforms

By MO JINGXI
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Several ministry-level departments, including those responsible for education, transport, and development and reform, have responded recently to issues of public concern.

Reforms aim to cut logistics costs, increase efficiency

China is carrying out pilot reforms to reduce logistics costs and increase efficiency in six provincial-level regions including Shanxi, Zhejiang and Chongqing, a notice published on Sept 29 said.

Jointly issued by the National Development and Reform Commission and the Ministry of Transport, it said the pilot program will run to August 2021.

Regions involved in the program should study and formulate practical measures within their administrative power to reduce logistics costs and improve efficiency according to their own conditions and needs, it said.

The notice said innovative policy demands and suggestions related to the administrative power of State Council departments or those that contradict existing rules, regulations and normative documents should be submitted to the NDRC and the Ministry of Transport.

Successful models and advanced experience in pilot areas will be promot-



ed in an appropriate way after an assessment of the reform results, it said.

Infrastructure for online education to be boosted

China will greatly improve the construction of infrastructure for online education by next year, according to a guideline published on Sept 30.

The guideline, jointly issued by 11 departments including the Ministry of Education, the Cyberspace Administration of China and the National Development and Reform Commission, said efforts to promote the healthy development of online education will include encouraging the wider application of modern information technologies such as the internet, big data and artificial intelligence, improving online education modes and enriching related resources and services.

It said all schools will have access to rapid and stable internet services by 2022.

To expand the supply of high-quality online education resources, efforts will be made to encourage the participation of social capital in conducting online education, accelerate the research and sharing of online education resources among schools, and establish a group of high-quality online courses, the guideline said.

It also underlined the importance of protecting the rights and interests of consumers and providing open channels for consumer complaints.

10 major initiatives to improve health industry

China will carry out 10 major projects related to priority areas and key links in the health industry by 2022, the National Development and Reform Commission said on Sept 29.

An outline of an action plan for pro-

moting the high-quality development of the health industry, jointly issued by departments including the NDRC, the Ministry of Education and the Ministry of Science and Technology, said a reasonably structured health industry system with rich content will basically take shape by 2022.

The coverage of high-quality medical and health resources will be expanded, and integration and coordination within the industry will be strengthened, it said. The industry will also be more competitive in terms of science and technology, will employ more high-quality staff members, and several influential health industry clusters will be established.

This will help to lay a solid foundation for the health industry to become an important pillar industry of the national economy, the outline said.

Beijing-Tianjin-Hebei area to get better transport network

China will build a comprehensive traffic network in the Beijing-Tianjin-Hebei region to ensure people can travel between neighboring cities in 90 minutes, Ministry of Transport spokesman Sun Wenjian said on Sept 26.

Sun told a regular ministry news conference that express railway services will cover all cities of prefecture-level and above in the region.

He said the coordinated development of the Beijing-Tianjin-Hebei region has achieved positive results with a number of major transportation projects steadily forging ahead. More efforts will now be made to promote railway development in the region, build a convenient and easy road traffic network, and adjust the region’s transportation structure, Sun said.

China initiated a key strategy in 2014 to coordinate the development of Beijing, Tianjin and Hebei province.

Policy digest

Call to improve quality of construction projects

Faced with prominent quality control problems in the construction sector, the State Council has called for national efforts to improve the quality of construction projects and related quality assurance systems.

A guideline published by the Cabinet on Sept 24 said the overall quality of the country’s construction projects has steadily improved in recent years, but quality problems of various kinds still occur occasionally due to the large number of projects and their wide geographic spread.

According to the guideline, project owners bear the primary responsibility and should strengthen quality control throughout the whole process, strictly carry out legally required procedures and fulfill their responsibility for quality.

Project contractors are required to improve their quality control system, promote the standardization of project quality control and establish a system that can identify the responsibility for every project and of every employee, it said, adding that subcontracting will not be allowed.

According to the guideline, house owners and users should properly utilize and maintain the premises, and changing the main body of a house and its bearing structure without authorization is forbidden.

The government’s quality supervision during the whole project construction process will be strengthened, with government procurement of such

services encouraged. Supervision of project design will be enhanced to increase the overall safety of structures, including their fire safety, it said.

The guideline also required efforts be made to reform the way construction projects are organized. Engineering, procurement and construction management should be implemented, with one contractor responsible for all key steps. It should also fulfill its responsibilities in project quality and security, schedule control and cost management.

To improve the bidding system, it said tendering and bidding procedures will be simplified and put online, with remote assessment also carried out.

The guideline also said that environmentally friendly building materials will be improved, with higher standards for energy-saving products.

Pilot work will be encouraged in qualified areas in order to explore experiences that can be replicated and promoted, the guideline said.

Maintenance of rural roads emphasized

China will take a series of measures to deepen reform of the management and maintenance of rural roads, vital public infrastructure that is important for fighting poverty and revitalizing rural areas.

By 2035, a complete and effective rural roads maintenance mechanism will be established, according to a guideline pub-

lished by the General Office of the State Council on Sept 23. By then, basic public services for road traffic in urban and rural areas will be equal and road conditions and the surrounding environment will be greatly improved.

The guideline also set a goal of specifying the responsibilities and powers of related departments by 2022 and attracting the participation of social investment in supporting rural roads in the same time frame. By 2022, no less than 75 percent of rural roads should be medium-level or above.

According to the guideline, road maintenance fees will be replaced by new revenue from fees and tax reforms on refined oil, and no less than 80 percent of transfer payments from those reforms should be used to maintain existing roads — not building new roads.

The State Council also required more financial support for maintaining rural roads, intensified supervision and management of road maintenance funds, and innovation of investment and fundraising mechanisms for the development of rural roads, the guideline said.

In order to establish a long-term mechanism for the maintenance of rural roads, market-oriented reforms will be accelerated, a credit evaluation mechanism with quality standards at its core will be established, and efforts will be made to study and formulate rules and regulations regarding rural roads, it added.