

POLICY REVIEW

Draft regulation a boon for business

State Council emphasizes importance of equal treatment for all market players, domestic and foreign

By XU WEI
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The State Council's decision to introduce a special regulation on bettering the business environment will give further impetus to market players and pave the way for reforms, experts have said.

The draft regulation, approved at the State Council's executive meeting on Oct 8, aims to establish a fundamental framework of rules for businesses in which all types of market players, domestic and foreign, will be treated as equals.

Focusing on the transformation of government functions, it also draws on advanced international standards and seeks to codify experiences and practices that have proved effective in past reforms.

Ma Liang, a public administration professor at Renmin University of China, said market players can perform much better when the rules of the game between government and business become institutionalized.

"The further reform wades into uncharted water, the more it is necessary to provide institutional safeguards and to make the bettering of the business environment a sustained effort," he said.

Ma said the draft regulation stopped short of coming up with concrete rules but pointed the way for future reforms and would enable local authorities and government departments to take the initiative in exploring more practices.

"Their reforms and explorations will also point the way for future efforts in bettering the business environment, and thus replacing the old rules," he said.

Premier Li Keqiang told the meeting local authorities had piloted more measures than expected in carrying out reforms to streamline administration and improve government compliance oversight and services.

"Introducing this regulation now is critical for consolidating the outcome of our reform aimed at transforming government functions," he said. "It is also a key measure for tackling downward economic pressure and attracting more foreign investment."

China's efforts in improving its business environment have been recognized by the World Bank in its annual Doing Business report. Last year, China rose to a global ranking of 46 among 190 economies, up from 78 the previous year.

The Doing Business 2019 report, released in November, said China's reforms in areas including cutting administrative red tape earned the country a spot in this year's 10 most-improved jurisdictions.

The draft regulation approved at the meeting calls for greater strides in streamlining administration, with measures to further widen market access and apply a national unified negative list for investment, a statement released after the meeting said.

The red tape involved in opening or deregistering businesses will be cut,



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and the authorities will be required to publicize the time required to apply for permits and certificates, open bank accounts and connect to electricity. The regulation also focuses on standardizing and innovating government oversight and law enforcement, saying that a prudent yet accommodative regulatory approach must be adopted for emerging industries.

It calls for better protection of market players, saying their right to independent operations and their

personal and property safety must be protected, and all types of market players must have equal access to factors of production and national policy incentives. The establishment of institutional arrangements, including a sound compensation mechanism for intellectual property infringements, will also be prioritized.

The importance of transparency in government services was highlighted at the meeting, with the draft regulation saying that administrative servi-

ces with unified criteria must be enjoyed by all types of market players on an equal basis.

The draft regulation also includes stronger measures to ensure accountability, saying that government staff members and officials will be held accountable for any arbitrary acts, lawbreaking behavior and arbitrary surcharges by public institutions.

Ma Yu, who researches inbound and outbound foreign investment at the Chinese Academy of International

Trade and Economic Cooperation, said the draft regulation is a milestone in the country's efforts to improve its business environment in that it will institutionalize rules such as treating domestic and foreign businesses as equals.

However, he said, "market players have the final say in the evaluation of the business environment."

"We need to make our business environment more competitive globally."

POLICY RESPONSE

Predatory banks and insurance companies targeted

By WANG QINGYUN
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Several ministry-level departments, including those responsible for banking and insurance, and education, have responded recently to issues of public concern.

Banks and insurers told to rectify improper business

The China Banking and Insurance Regulatory Commission issued a notice on Thursday asking local banking and insurance authorities, banks and insurance companies to rectify businesses that violate consumers' interests.

Such violations include false or misleading advertisements using inaccurate figures, exaggerating the performance of products or suggesting they are guaranteed against loss.

Credit card business targeting low-income groups is another target of the notice.

The campaign will conclude in December. Banks and insurance companies should carry out self inspections, fix problematic behavior, and report to local banking and insurance

authorities no later than Nov 30. They should stop problematic businesses when they are detected and report illegal cases to judicial authorities.

The banking and insurance authorities will conduct spot checks and seriously punish firms that fail to detect existing problems or attempt to cover them up, according to the notice.

More talent to be nurtured in social service sector

Nurturing more talent in the social service sector was the focus of a guideline issued by the Ministry of Education and six other departments on Wednesday.

The guideline, which was released on the ministry's website, defined the social service sector as including domestic service, elderly care and child nursing — all fields in which professionals with expertise are in great demand.

The guideline said universities and schools should nurture a large number of highly skilled professionals by 2022 to ease talent shortages in the sector.

It asks related authorities to design educational programs in social service

for undergraduates, graduates and vocational school students.

The authorities should also take measures to increase the number of students majoring in social service. They should encourage vocational schools to set up educational programs in a number of areas, including nursing, domestic service management, elderly care management and rehabilitation.

Vocational schools in each province should offer courses in domestic service and elderly care, the guideline says, and there should be at least one university in each province offering such education to undergraduates.

The authorities should also support social service professionals in seeking further education and studying for related master's degrees.



Guideline will aim to improve elderly care

The National Health Commission will issue and implement a guideline to improve health services for elderly people, an official said on Friday.

The guideline aims to set up a health service system that covers both urban and rural areas, and consists of health education, prevention, diagnosis and treatment, rehabilitation, long-term nursing and hospice care, Wang Haidong, director of the commission's Department of Aging and Health, said at a news conference.

The commission will continue a campaign launched in July to promote elderly health, and will push hospitals and other healthcare institutions to become more elderly friendly, Wang said.

It will also carry out a nationwide campaign to enhance the public's knowledge of preventing and treating Alzheimer's disease, work to establish a system for long-term nursing of disabled elderly people, and include more cities into its pilot hospice care program.

Better protection ordered for migratory birds

The State Forestry and Grassland Administration has asked provincial forestry authorities to better protect migratory birds.

Large numbers of birds migrating in autumn and winter are exposed to big risks of poaching, the administration said in a notice released on its website on Oct 8.

Provincial departments of wild animal protection should carry out their duties actively, and the protection of migratory birds should be taken into account when assessing the performance of local leaders, the notice said.

The provincial authorities should organize patrols to remove nets, traps and poisonous baits in the birds' habitats.

They should also strictly punish those who illegally breed, store, ship and trade wild migratory birds and those who sell illegal hunting tools.

They should also promote the idea of protecting migratory birds among residents, so that people who hunt and eat the birds will give up those practices.

Policy digest

Guideline to guarantee supply of medicines

The General Office of the State Council issued a guideline on Friday aimed at ensuring sufficient stocks of medicines that tend to be in short supply and stabilizing their prices.

Ministries and provinces should work together to set up a multisource information platform and a monitoring system that can be used to share information on the production of medicines and their prices.

There should be a national list of medicines in short supply, and all provinces should have their own such lists.

The National Health Commission and the National Medical Products Administration should design a system to manage the lists.

Local authorities should improve the management of medicines on their lists and, at the same time, avoid excessive interference in their pricing, according to the guidelines.

Health insurance regulatory authorities should monitor medicine prices and issue alarms when prices surge abnormally and take effective measures to curb such price hikes.

The authorities should also punish those seeking to monopolize medicine production and the supply of drug ingredients strictly and according to law.

The central and local governments should enhance their stocks of medicines and encourage large pharmaceutical companies to build up stocks of medicines that could be released when shortages occur.

The causes of medicine shortages vary, but they include monopolies in production and the increasing cost of ingredients.

Cabinet approves revised Archives Law

A draft revision of the Archives Law was approved at the State Council's executive meeting on Oct 8.

It was decided at the meeting that the draft will be submitted to the Standing Committee of the National People's Congress after further editing.

The draft defines the responsibilities of different organizations in managing archives, adds into the law stipulations about the digitization of archives, and clarifies the validity of digital archives.

It also shortens the period of time archived material will be classified.

Plan for China-SCO trade zone OK'd

The State Council has approved a general plan submitted by the Shandong provincial government and the Ministry of Commerce to establish a demonstration zone for regional economic and trade cooperation between China and the Shanghai Cooperation Organization in Qingdao, Shandong province.

The construction of the demonstration zone should be carried out according to the decisions made by the Communist Party of China Central Committee and the State Council, it said.

The zone should be a new platform for international cooperation to promote the Belt and Road Initiative, and should expand cooperation in areas including international logistics and modern trade.

The zone should enable Qingdao to play a bigger role in the construction of the New Eurasian Land Bridge and maritime cooperation, and should strengthen interconnectivity between China and the other members of the SCO, the State Council said.

The other SCO member states are India, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan and Uzbekistan