

POLICY REVIEW

State Council planning more measures to restore nation's hog production

Steep rises in prices of pork and other meats drove consumer inflation higher in October

By XU WEI
xuwe@chinadaily.com.cn

The central government has intensified measures to stabilize prices of key farm produce after consumer prices rose at their fastest pace in almost eight years, with experts calling for the establishment of long-term mechanisms to protect farmers' interests.

The State Council, China's Cabinet, said in a statement following an executive meeting on Wednesday that it will introduce more measures to restore hog production, including steps to remove unjustified bans on pig farms.

It was the fourth executive meeting in three months at which the Cabinet has adopted steps to address surging pork prices, as African swine fever ravaged the country's hog herds and drove up pork prices.

The National Bureau of Statistics said Saturday that China's consumer price index, a main gauge of inflation, rose 3.8 percent year-on-year last month, the fastest clip in almost eight years.

The bureau said the rise was driven largely by steep climbs in the prices of pork and other meats, with pork prices more than doubling year-on-year in October.

Soaring pork prices contributed 2.43 percentage points to the CPI growth, and spilled over to the prices of beef, mutton and chicken. The wholesale pork price reached 51.18 yuan (\$7.31) a kilogram on Friday, the Ministry of Agriculture and Rural Affairs said.

Premier Li Keqiang said at the meeting that stabilizing commodity prices is a key factor in ensuring macroeconomic stability and highlighted the importance of adopting methods in keeping with market principles.

The Cabinet decided at the meeting to boost the production of poultry, beef and mutton, and to tap into food reserves to ensure supplies of key farm produce and curb price hikes.

It also urged local governments to activate a mechanism that links social assistance with price increases and to issue subsidies in a timely manner to ensure the basic needs of those living in poverty are met.

Zhu Zengyong, a Chinese Academy of Agricultural Sciences researcher who focuses on the pork sector, said the shortfall in domestic pork supply this year underlined the importance of long-term mechanisms to stabilize hog production and protect the legitimate interests of farmers.

"A major concern of the hog business was uncertain policies and lack of consistency in policy implementation," he said, adding that it is important for the authorities to cor-

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Zhu Zengyong, researcher from the Chinese Academy of Agricultural Sciences

rect the misconception that restoring hog production conflicts with protecting the environment.

The spread of African swine fever has slowed in recent months, but increased hog production will bring about heightened risk, he said, meaning disease prevention remained a daunting task.

"The establishment of an effective disease prevention system is a key to restoring hog production," Zhu said.

He warned the impact of the surge in pork prices on the CPI could peak before the Spring Festival celebrations in January, a period of peak demand for the country's most popular meat.

Pork prices were not expected to drop until the second half of next year, when hog production was expected to slowly recover, Zhu said.

Data from SCI International, a provider of commodity market information, shows Chi-

na's pork prices are now at a historic high that has dented consumer demand, with only 15 percent of the country's slaughterhouses open for business.

The country has adopted multi-pronged measures to boost meat imports. COFCO Group, its biggest food trader by revenue, said last week it had agreed to buy \$100 million of pork from European pork producer Danish Crown next year. China has also agreed to resume imports of Canadian beef and pork products, ending a five-month suspension.

The Cabinet meeting also underscored the need to continue with unrelenting efforts to ensure grain production to guarantee the country's full self-sufficiency in grain supply.

It set a goal of developing 67 million hectares of high-quality farm-

land by 2022, enough to ensure annual grain production capacity of over 500 million metric tons.

The Ministry of Agriculture and

Rural Affairs said in September that the country's grain output from all farms last year was 657.89 million tons.



SHI YU / CHINA DAILY

POLICY RESPONSE

Campaign targets privacy problems on smartphone apps

By WANG QINGYUN
wangqingyun@chinadaily.com.cn

Several ministry-level departments, including those responsible for education, finance, industry and information technology, and development and reform, have recently responded to issues of public concern.

Mobile phone apps told to rectify privacy breaches

The Ministry of Industry and Information Technology has launched a campaign to overhaul mobile phone applications that breach users' privacy.

A notice posted on the ministry's website on Wednesday said apps that gather personal information without users' consent or gather information that is unnecessary for their operation are among those that should be rectified.

Another target is forcing users to consent to excessive permissions, including denying them access unless they agree to an app's requests, abusing users' personal information, or harassing them by

frequently requesting permissions they refused to give earlier.

Apps that do not allow users to close their accounts or set unreasonable barriers to account closure should also correct their policies. App providers and distribution platforms have been told to inspect themselves and correct any such issues before testing institutes carry out spot checks on products and platforms.

Apps that fail to pass muster could face closure, among other disciplinary measures.

The campaign will last till Dec 20.

Schools urged to guard against food poisoning

The Ministry of Education issued an alert on Nov 5 to areas and



schools that have joined a national program to improve inspection over food for rural students, asking them to ensure food safety this winter.

The areas should build more kitchens where food preparation is visible and improve the environment of kitchens to prevent any cases of food poisoning, the alert said.

The schools should provide sufficient and balanced meals to students, the ministry said, adding that meals should be fully cooked and kept warm in winter.

The schools' principals or teachers must dine with the students, it said, and people responsible for any food poisoning will be held accountable.

8 regions selected for pilot medical center program

China has picked eight regions for a pilot program to build quality medical resources in areas that lack them.

The regions are the provinces of Hebei, Shanxi, Liaoning, Anhui, Fujian, Henan and Yunnan and the Xinjiang Uygur autonomous region,



the National Development and Reform Commission said in a notice published online on Tuesday.

The program has chosen 30 public hospitals, most of them in Beijing and Shanghai, to work with the regions to develop quality medical centers and nurture high-level medical talent, so that people living there do not have to travel to major cities to seek treatment.

The program will later include private hospitals, the commission said.

The work should focus on enhancing those departments dealing with oncology, neurology, cardiovascular diseases, pediatrics, respiratory medicine and traumatology.

The regions will raise most of the funds for building the medical centers.

They will also be able to invite private hospitals that take part in the program to open nonprofit branches.

418m yuan in drought aid allocated by ministry

The Ministry of Finance and the Ministry of Emergency Management allocated 418 million yuan (\$59.71 million) on Thursday to seven areas that have been hit by drought.

The areas are the provinces of Shanxi, Anhui, Jiangxi, Hubei and Hunan, the Guangxi Zhuang autonomous region and Chongqing, a notice issued by the Ministry of Emergency Management said.

It said it had sent teams to the five provinces to help locals tackle the drought.



Policy Digest

Guideline on use of foreign investment

The State Council has issued a guideline for provinces and ministries to better use foreign investment.

They should support the entry of foreign investors into newly opened areas of the economy, further shorten negative lists for foreign businesses, and revoke restrictions that are outside the lists, according to the guideline issued on Thursday.

They should lift restrictions on the business scope of foreign financial institutions — including banks and securities companies — operating in China.

They should also revoke the 51 percent cap of foreign ownership in securities companies, securities investment fund management companies, futures companies and life insurance companies by next year, among other measures to accelerate the opening up of the financial sector.

The authorities should improve policies for foreign capital in the automobile industry by granting new energy vehicles made by foreign companies the same market access as those made by domestic companies, the guideline said, and create a fair business environment.

The guideline also called for greater efforts to promote investment. The authorities should encourage more foreign investment in new and high-tech industries, and improve the construction of pilot free trade zones, it said.

It also urged the protection of the lawful interests of foreign investors.

The authorities should implement the Foreign Investment Law comprehensively, strengthen reviews of the legitimacy of foreign investment regulations, and improve the protection of intellectual property rights, the guideline said.

State Council welcomes free trade breakthrough

The State Council said China will work with all related parties to finish talks on a regional free trade agreement as soon as possible, and encouraged Chinese companies to grasp the opportunity brought by the agreement to take part in international competition and cooperation.

After seven years of work, 15 countries announced during the leaders' meetings on East Asia cooperation held in Bangkok earlier this month that they had concluded most of the talks on the Regional Comprehensive Economic Partnership.

RCEP will be the free trade bloc covering the largest population, with the most development potential, the State Council said at an executive meeting held on Wednesday.

The conclusion of most of the talks was a major breakthrough for the bloc's construction and offered powerful support to the world's multilateral trade system, the State Council said.

It said it will work for China to sign high-standard free trade agreements with more countries, and enhance the construction of an open economy, so that China and all other parties will enjoy shared growth.

Digital data gathering to be part of 2020 census

China will begin its seventh census next year, the State Council said on Friday.

The authorities should conduct the census according to law and make sure the statistics they gather are authentic, the State Council said in a notice.

The census will be carried out digitally, and the authorities will try to gather the information through the use of smartphones.

The authorities should better protect the personal information of citizens, and all organizations and people working for the census must not reveal or sell the information to any other institutions or individuals, the State Council said.