

POLICY REVIEW



SHI YU / CHINA DAILY

Seize trade opportunities, businesses told

World’s largest free trade deal expected to be signed by 15 countries next year

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The State Council has encouraged businesses to seize opportunities arising from the planned signing of the Regional Comprehensive Economic Partnership next year as part of measures to stabilize foreign trade and the job market. Officials and experts have applauded the trade deal, saying it will provide a significant boost to investor confidence, benefiting businesses, workers and consumers, and guide the way for the making of future global trade rules. The Cabinet said after its executive meeting on Nov 6 that it will encourage countries participating in the RCEP to complete talks on remaining issues and work toward the signing of more high-level free trade agreements with other countries. Countries involved in the trade deal said in a joint statement after a leaders’ meeting on Nov 4 that

negotiations among 15 participating countries had been completed, even though India still had significant outstanding issues that remained unresolved. The trade pact is expected to be signed next year, it said. Premier Li Keqiang said at the executive meeting that the trade agreement will create favorable conditions for China to promote its industrial upgrading and create more jobs. He called upon Chinese businesses to seize the opportunities from the trade agreement, face the new challenges and actively take part in international cooperation and competition. The trade agreement among the RCEP economies, even without India, will be the world’s largest free trade deal. The total population of the 15 countries reached 2.2 billion last year, with total GDP exceeding \$29 trillion and exports worth \$5.6 trillion, according to the Ministry of Commerce.

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Wang Shouwen, a vice-minister of commerce and a top trade negotiator, said the pact will be highly significant for China. “The canceling of tariffs and non-tariff barriers means significant cost reductions and strong benefits for Chinese consumers and businesses relying on those economies for materials and components for their products,” he said at a news briefing. The trade agreement, which includes chapters on trade in goods and services, investment, the movement of people, e-commerce,

and small and medium-sized enterprises, is expected to offer a significant boost to trade in goods, with the level of opening up even higher than that achieved through the World Trade Organization, he said. With the rise of unilateralism and protectionism, and mounting downward pressure on the global economy, Wang said the RCEP will provide a significant boost to investor confidence. Wang Xiaosong, a professor of economics at Renmin University of China, said the RCEP can help China offset the side effects of ongoing trade frictions with the United States and better stabilize its foreign trade in the short term. “In the long term, the trade pact can promote China’s high-level opening-up and further blend in with regional integration efforts,” he said. Researchers from the Asia-Pacific region have hailed the trade pact as a signal that Asia is pushing back against global protectionism. Academics from the Australian National University wrote in a report that progress on the RCEP showed “Asia has chosen openness

over protectionism, regionalism over nationalism, cooperation over confrontation, and solidarity over suspicion.” “They have sent a clear and unambiguous signal to the world: that Asia remains very much open for business,” the report said. They added that the RCEP will contribute significantly to shared prosperity and political security in the Asia-Pacific region by building political certainty and trust. Tu Xinquan, dean of the China Institute for WTO Studies at the University of International Business and Economics, said the path to the RCEP can be a guide for the making of global trade rules and the upgrading of trade clauses. “The route taken by the RCEP could give light to guide WTO reforms down the road,” he said. As a fledgling regional partnership, he said the RCEP was in no position to replace the WTO, which has 164 members. “But the RCEP, based on WTO rules, can be seen as a pilot area for the WTO to provide experience for a global trading system,” he said.

POLICY RESPONSE

Crackdown on overloaded and illegal school buses

By MO JINGXI

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



More checks to root out illegal school buses
China will mete out harsher punishment to operators of illegal school buses and those involved in related violations to guarantee the safe daily commuting of primary and middle school students and preschoolers, the Ministry of Education said in a notice released on Nov 11.

It said recent cases of overloading on illegal school buses in China had posed severe risks to the safety of students. Local departments responsible for public security and traffic management will be required to strengthen safety checks and monitoring on key roads during rush hours, the notice said. Road patrols around schools will also be strengthened to investigate and deal with the operation and overloading of illegal school buses and examinations of vehicles will be undertaken to reveal the potential risks of school buses, it said. The notice also required schools to enhance the road safety awareness of students and parents so they will not use overcrowded and unregistered buses.

Regulator revises health insurance rules
The China Banking and Insurance Regulatory Commission released revised rules on the administration of health insurance on Nov 12. The new rules, which included revisions of areas such as the definition,

categorization, supervision and sale of health insurance, will take effect on Dec 1. Medical accident insurance will be categorized as health insurance and the cooling-off period for long-term health insurance products will be extended to no less than 15 days, compared with no less than 10 days at present. The rules also forbid insurance companies selling health insurance products from making tie-in-sales mandatory. The CBIRC said health insurance premium income in the first three quarters this year was 567.7 billion yuan (\$80.9 billion), up 31 percent year-on-year. The health insurance market has developed rapidly in recent years and the revisions deal with emerging issues and challenges to regulation and supervision to effectively meet public demand for health security, the administration said. **Water quotas for hotels and schools detailed**
The Ministry of Water Resources recently detailed water quotas for hotels, schools and administrative

organs, the first time China has instituted strict, nationwide constraints on water consumption in the service industry. Water use efficiency is expected to increase by 10 to 20 percent once the quotas are strictly implemented, the ministry said in a statement published on Nov 14. China has a large number of hotels, schools and administrative organs that are major water consumers, it said, and the ministry had formulated water use quotas for them based on their individual characteristics. The move will improve the standard of China’s water use quotas, guide and regulate water use in hotels, schools and administrative organs, and promote water use efficiency, the statement said. **Students still obligated to finish schoolwork**
Alleviating the study burden on students is not the same as eliminating it, but instead optimizing the structure of their workload to maintain it at a reasonable and moderate level, a senior Ministry of Education official said on Thursday.

Lyu Yugang told a news conference in Beijing the ministry opposed “sweeping approaches” to reducing students’ burdens. Students are obligated to finish their schoolwork as stipulated in the national curriculum program and they have to make necessary efforts in that regard, Lyu said, adding reasonable burdens were needed to develop the intelligence of students and inspire their potential. What should be cut, he said, were the unnecessary and unreasonable burdens brought about by factors such as the overemphasis on exams, overloading of exercises and inappropriate extracurricular courses. 

Policy digest

Sea and river search and rescue goes high-tech

China will promote the application of artificial intelligence, the latest information technology and satellite communication in search and rescue work at sea and on rivers, a notice released on Nov 8 said. Issued by the General Office of the State Council, it said water search and rescue is an important part of the national emergency response system and reflects China’s efforts in fulfilling international conventions. In order to improve the ability to conduct nighttime search and rescue operations at sea, research and the application of key technologies and equipment for deep-sea rescue and salvage will be strengthened, it said. Equipment for water rescue and deep-water salvage on rivers and reservoirs will also be enhanced. To improve the water search and rescue system, the notice required national maritime search and rescue institutions to implement efficient coordination nationwide, draw up work plans and regulations and provide guidance for local organizations. Local governments should take their share of responsibilities in preventing and dealing with emergencies at sea and on inland waters, it said. According to the notice, the national interministerial joint meeting for maritime search and rescue should be improved and the Ministry of Transport, which leads the joint meeting, should play a better role in coordination and supervision. Information-sharing among different departments, including the Ministry of Transport, Ministry of Natural Resources and Ministry of Emergency Management, will be encouraged, it said. In order to improve the country’s water search and rescue capabilities, merchant ships, fishing boats and volunteers will be encouraged to play a bigger role, the notice said, and a team of specialists from different areas, departments and professions will be built. Regional and international exchanges on water search and rescue will also be strengthened to learn from the ideas, technologies and experiences of other countries, it added.

Teenagers to be focus of patriotic education

Teenagers will be the top priority of China’s patriotic education and patriotism should be embedded in the whole process of school education, according to an outline for promoting patriotic education in the new era published on Nov 12. The outline, published by the Communist Party of China Central Committee and the State Council, said strengthening patriotic education in the new era is of great and far-reaching significance to inspiring and uniting the Chinese nation, securing a decisive victory in building a moderately prosperous society in all respects, and realizing the Chinese dream of national rejuvenation. It is important to cultivate the patriotism of students as they are the builders of and successors to the socialist cause, the document said, requiring patriotic education to be included in the textbooks of related subjects, such as Chinese and history, in primary and middle schools. In colleges and universities, patriotic education should take up a larger proportion and be combined with related courses on philosophy and social sciences, it said. The outline said patriotic education should have the theme of realizing the Chinese dream of national rejuvenation and ensuring that love for the Party, the country and socialism go hand in hand. It stressed that promoting patriotic education should focus on maintaining national unity and ethnic solidarity, which serves the fundamental interests of the Chinese nation. People from all ethnic groups in China should be guided to treasure ethnic solidarity and take a firm position against any attempt to divide the country or words and acts that sabotage ethnic solidarity, it said.