BUSINESS

中国日报 CHINA DAILY | CHINADAILY.COM.CN/BUSINESS Friday, October 18, 2024

Relations with Central, Eastern European nations to grow

By ZHAO RUIXUE
in Yantai, Shandong
zhaoruixue@chinadaily.com.cn

Participants at the 6th China and Central and Eastern European Countries Local Leaders' Meeting said the China-CEEC cooperation mechanism has promoted bilateral relations and collaboration between China and European countries, and they called for increased joint efforts to enhance the quality of life for citizens.

The two-day meeting which opened on Wednesday in Yantai, Shandong province, brought together over 300 participants from Central and Eastern European countries, including former officials, provincial and municipal leaders, diplomats, representatives from universities, research organizations and business associations.

Established in 2012, the cooperation mechanism between China and the CEEC has evolved into a trans-regional platform based on cooperation and shared development. Over more than a decade, it has fostered cooperation in diverse fields such as trade, culture, education, tourism and technology.

"Local exchanges are a crucial aspect of China-CEEC cooperation," Li Hongzhong, vice-chairman of the Standing Committee of the National People's Congress, said at the meeting's opening ceremony.

He called for enhanced alignment of development strategies, improved mechanisms for local cooperation platforms, and a focus on practical cooperation in key areas to ensure the steady and far-reaching progress of China-CEEC cooperation.

In recent years, Shandong has expanded exchanges with provinces and states in Central and Eastern Europe in fields such as economic and trade relations, high-level visits, and cultural exchanges.

The province signed an agreement on Tuesday with the autonomous province of Vojvodina, Serbia, to establish and develop friendly relations and cooperate on mutually beneficial issues.

"This agreement provides an opportunity for knowledge, experience, and resource exchange to enhance the quality of life for citizens through joint efforts," said Maja Gojkovic, governor of Vojvodina.

Gojkovic said Vojvodina has thus far signed cross-regional cooperation agreements with nine Chinese provinces including Jilin, Hunan, Henan, Guangdong, Hainan, Hebei, Fujian and Zhejiang, laying a solid foundation for future cooperation.

During the meeting, the China-CEEC Modern Agricultural Science and Education Innovation Alliance was established to encourage joint efforts on promoting cooperation and development in the agricultural sector. The alliance now includes participation from 64 domestic and foreign universities, research institutions and enterprises.

"The difference between the agricultures of China and the CEE countries is one of the prerequisites for cooperation and development in the sector," said Momchil Stanishev, director of the Association for the Promotion of Agricultural Cooperation between China and Central and Eastern European Countries.

He emphasized the need to address the issues of food security, evolving consumer preferences, increasing demand for higher-quality food, investments in farm productivity, and the adoption of new technologies.

"The alliance will further integrate education, technology, talent and resources from both sides, creating an efficient and stable platform for cooperation and exchange," said Liu Zhenjie, deputy head from the department of agriculture and rural affairs of Shandong province.

Shandong and CEEC have seen robust growth in economic and trade exchanges. In 2023, the total volume of imports and exports between Shandong and CEEC reached 51.55 billion yuan ($7.2 billion), a year-on-year increase of 18.6 percent. The average annual growth rate over the past five years has been around 18 percent.

Enhancing power supply

Employees from Henan Anyang Power Supply Co install power line accessories on Towers 5, 6 and 7 of the Wenfeng-to-Juyuan 220 kV line project on Wednesday in Anyang, Henan province, aiming to boost power supply in the city's northwestern areas. ZHANG YANG / FOR CHINA DAILY

Briefly

Renminbi weakens against greenback

The central parity rate of the Chinese currency renminbi, or the yuan, weakened 29 pips to 7.122 against the US dollar on Thursday, said the China Foreign Exchange Trade System. In China's spot foreign exchange market, the yuan is allowed to rise or fall by 2 percent from the central parity rate each trading day. The central parity rate of the yuan against the greenback is based on a weighted average of prices offered by market makers before the opening of the interbank market each business day.

Hainan sees robust Jan-Sept foreign trade

Hainan province posted imports and exports of goods totaling 205.95 billion yuan ($28.93 billion) in the first three quarters, a record high for the period and up 20.2 percent year-on-year, Customs statistics showed. During the period, general trade with longer industrial chains and higher added value accounted for more than 70 percent of Hainan's total foreign trade.

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A property project under construction in Beijing. TANG KE / FOR CHINA DAILY

New measures set to revive realty sector

Move seen boosting sentiment among homebuyers, investors; spurring sales

By WANG KEJU
wangkeju@chinadaily.com.cn

China has rolled out new policy measures to rejuvenate the shaky property sector, with expanded funding for troubled property developers and renovation of an additional 1 million homes high on the agenda.

Analysts said this will shore up sentiment among homebuyers and investors, and facilitate an upturn in home sales.

Noting that the real estate industry is a crucial driver of the Chinese economy, analysts said a swift transition from decline to stability will better help the world's second-largest economy achieve its annual growth target of around 5 percent.

Ni Hong, minister of housing and urban-rural development, said on Thursday that the Chinese real estate market has seen broad-based stability since October, particularly in major cities.

China will expand its "white list" program, which allows unfinished housing projects and developers to access credit, with the loan quota under this initiative set to reach 4 trillion yuan ($561.8 billion) by the end of the year, Ni said.

Policymakers are working to include all qualified real estate projects in the "white list" program, ensuring that eligible projects can access the necessary financing, Ni said at a news conference.

The measures are the latest in a series of high-level government policy announcements aimed at bolstering the economy.

Under the "white list" mechanism launched in January, local authorities are recommending financial institutions to real estate projects eligible for financial support.

As of Wednesday, the total amount of loans approved for white-listed real estate projects reached 2.23 trillion yuan, and this is expected to double to over 4 trillion yuan by the end of 2024, according to data from the National Financial Regulatory Administration.

The increased financing support for qualified "white list" projects will empower developers to fulfill their delivery commitments, which is essential for rebuilding consumer confidence in the housing market, said Yan Yuejin, vice-president of the Shanghai-based E-House China R&D Institute.

However, with a sizeable credit line for white-listed projects, the actual scale of approved and realized financing remained modest previously, analysts said.

The doubling of the financing scale signifies the country's efforts to resolve the obstacles that previously hindered the translation of "white list" approval into realized funding and alleviate the financial strain on troubled developers quickly, said Dong Ximiao, chief researcher at Merchants Union Consumer Finance.

Apart from ensuring timely home deliveries, the government has also introduced a new initiative to stimulate effective demand in the real estate market.

Chinese cities will renovate 1 million more homes known as urban villages or dilapidated homes, and residents will receive money to buy new apartments, Ni said.

The new measure primarily targets the most ready-to-implement projects, where increased policy support can accelerate the process. In particular, local governments will be allowed to finance these programs by issuing special bonds, Ni said.

This influx of new demand from the renovation program will play a crucial role in addressing the imbalance between supply and demand in the housing market, said Wang Qing, chief macroeconomic analyst at Golden Credit Rating International.

In 2023, the total sales area of commodity housing reached 948 million square meters, equivalent to around 9.48 million units. From January to August 2024, the sales area of commodity housing declined by 25 percent year-on-year. It is estimated that the full-year 2024 commodity housing sales area will reach 711 million sq m, equivalent to around 7.11 million units, Wang said.

The new policy will create some 1 million units of housing demand and account for around 14 percent of the estimated 2024 housing sales area, which is a significant contribution to the market, Wang added.

The number of homes in urban villages that require redevelopment in 35 major cities has reached 1.7 million units. This figure is likely to be even higher after including the needs of other cities. The renovation programs could be expanded should the situation call for it, Ni said.

China mulls hiking levies on fuel vehicles

By ZHU WENQIAN
zhuwenqian@chinadaily.com.cn

China is studying measures to raise import tariffs on large-displacement fuel vehicles, and will make a cautious decision after considering all factors comprehensively, the Ministry of Commerce said on Thursday.

This move follows the European Commission's recent announcement of plans to impose import tariffs of up to 36.3 percent on electric vehicles produced in China. These potential measures, if implemented, would remain in effect for five years, although a final decision has yet to be made.

In response to the negotiation process between China and the EU regarding the imposition of tariffs on electric vehicles, China has shown the greatest sincerity and flexibility, and both sides have made important progress in some areas, He Yadong, a spokesman for the ministry, said during a news conference in Beijing.

"Still, the EU has not actively responded to the core concerns of industry players in China and Europe, and there are still some significant differences in the negotiations," he said.

He added that China has officially invited the European technical team to come to China as soon as possible to continue the next stage of negotiations. China has made all the preparations and is waiting for the European side's response.

The automotive industry chains in China and Europe are interdependent and have broad prospects for cooperation, said the China Chamber of Commerce for Import and Export of Machinery and Electronic Products.

"We hope that the European side will uphold an open and cooperative attitude and support comprehensive cooperation between the Chinese and European automotive industries," said Shi Yonghong, vice-president of the chamber.

In another development, the 136th China Import and Export Fair, popularly known as the Canton Fair, has witnessed significant achievements so far. The fair kicked off in Guangzhou, capital of South China's Guangdong province, on Tuesday, and will run until Nov 4.

New companies, products and technologies are making their debut. This year, more than 1,700 companies are first-time participants, and there are approximately 3,600 enterprises involved in businesses related to digital technology and intelligent manufacturing taking part, the ministry said.

Meanwhile, the Canton Fair app was launched this year, further optimizing multiple functions of the online platform, providing exhibitors with more convenient and efficient multi-scenario applications and mobile services, He said.

HK investment plan likely to bolster capital inflow

By LIU YIFAN in Hong Kong
evanliu@chinadailyhk.com

The expansion of Hong Kong's investment-for-residency program to include investments in residential properties, as revealed in the chief executive's 2024 Policy Address, is expected to breathe new life into the city's wealth management by drawing wealthy individuals and facilitating capital inflow into luxury homes, experts said.

The New Capital Investment Entrant Scheme, which gives residency to people who invest HK$30 million ($3.86 million) in the city, started to allow investment in homes priced at HK$50 million or above to qualify from Wednesday. The amount of real estate investment to be counted toward the total is capped at HK$10 million.

Moreover, investments made via an eligible privately held company owned entirely by an applicant will be considered part of the applicant's qualifying investment with effect from next March.

The program was initially introduced in 2003 before being suspended in 2015. Chief Executive John Lee Ka-chiu announced its return last October.

Officially relaunched in March, the New Capital Investment Entrant Scheme requires applicants to put HK$3 million into a portfolio managed by the Hong Kong Investment Corp to support the local technology sector. Other eligible assets include stocks, debts, funds as well as industrial and commercial real estate.

An official from the Financial Services and the Treasury Bureau disclosed that by the end of September, the program had garnered close to 600 applications, from which 62 had been approved.

This expansion was implemented in response to the substantial demand exhibited by applicants for residential properties in Hong Kong, he added.

Following the relaxation of property cooling measures in February, including residential properties as qualified investments in the program is among a range of measures to bolster the city's real estate market.

Diao Zhihai, executive director of China International Capital Corp, said the move is expected to further attract high-net-worth and ultra-high-net-worth individuals to invest in luxury properties, potentially drawing global talent and forging significant capital agglomeration.

"This could positively contribute to Hong Kong's development as an international asset and wealth management center," Diao said.

Hong Kong's wealth management sector demonstrated resilience last year, with assets under management logging a modest growth of 2.1 percent year-on-year to above HK$31 trillion, said the Securities and Futures Commission. The city's net capital inflow surged more than 3.4-fold last year compared with 2022, thanks to the strong performance of private banking and private wealth businesses.

Raffles Family Office CEO Kwan Chi-man described the move as a "significant upgrade" that can attract a broader range of international capital and asset owners to Hong Kong, as it further enhances the program's appeal to wealthy individuals and families.

"Since the announcement of the relaunch last year, we've received numerous inquiries," Kwan said, pointing to Hong Kong's strategic location, low-tax environment and robust financial infrastructure. "The improvements are likely to turn interest into action, especially for those planning to establish family offices in Hong Kong."