

Cabinet focuses on shoring up trade

Meeting urges greater strides in reform and opening-up to cope with impact of pandemic

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China has scaled up efforts to stabilize foreign trade and investment amid the rapid global spread of the novel coronavirus, with experts calling for bigger tax cuts to help the country's export-oriented businesses ride out the outbreak.

The State Council said in a statement after its executive meeting on March 10 that China must make greater strides in reform and opening-up to cope with the impact of the pandemic and adopt a multipronged approach to stabilize foreign investment and trade.

The government will ensure that all export tax rebates will be made in full to all businesses, apart from heavily polluting producers and energy- and resource-intensive ones, the statement said.

The Cabinet also pledged to encourage financial institutions to increase foreign trade loans, including measures to offer businesses deferment of principal and interest payments.

To further attract foreign investment, the meeting decided on measures to shorten the negative list for foreign investment and widen market access for foreign businesses. The government will ensure that its aid packages to help businesses through the outbreak will be enjoyed by both foreign businesses and their domestic counterparts, the statement said.

China's foreign trade in goods dropped 11 percent year-on-year in the first two months of this year to \$592 billion amid disruptions caused by the outbreak, according to the General Administration of Customs.

Overseas shipments dipped 17.2 percent year-on-year to \$292.5 billion. Trade with the European Union was down 14.2 percent, while that with the United States was down 19.6 percent, and Japan 15.3 percent, the administration said.

The novel coronavirus has been reported in 146 countries, with the number of confirmed cases exceeding 153,000 by Sunday, according to the World Health Organization.

Wang Zuping, chairman of Anhui Liangliang Electronic Technology, an exporter of light-emitting diode bulbs, said it had resumed full production but he was very worried about the outlook for the company's international markets.

He said Anhui Liangliang had received notice from clients in Saudi Arabia and Iraq last week to stop shipping products and they were not placing any new orders.

"The biggest problem we face is that no one is buying our products, and the chances are the situation will only get worse and worse," he said.

Wang said the lockdown imposed by many countries had made it impossible for his clients to make payments at banks, which made transactions impossible.

"Nor can we go overseas to help our clients explore new markets and establish sales networks," he



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said, adding that it would be a lengthy process for his company to switch its focus to the domestic market.

Li Xingqian, head of the Ministry of Commerce's Department of Foreign Trade, told a news briefing on Friday that the ministry will make all-out efforts to help export-oriented manufacturers get back to business, and also accelerate the establishment of free trade zones and meet the financing demands of businesses.

"In the meantime, we need to see the huge potential, strong resilience

and stable industry chains of China's foreign trade sector. Our businesses are innovative and highly capable in exploring new markets," he said, adding that exporter's long-term positive fundamentals remained unchanged.

Miao Yinzhi, an associate professor of financial law at Central University of Finance and Economics, said stabilizing foreign trade and investment is of paramount importance to a steady job market.

With the outbreak hitting the trade sector hard, he said the government should offer private business-

es, which accounted for most foreign trade last year, more tax and fee cuts to help them cut expenditure and restore vitality.

As for foreign investment, China saw its inflow drop to \$19.4 billion in the first two months of the year, down 10.4 percent year-on-year, largely as a result of the outbreak, the extended Spring Festival holiday and factory standstills, the Ministry of Commerce said.

However, a survey released on Friday by the American Chamber of Commerce found that China remains a top long-term priority for

most US companies despite slowing growth, China-US trade tensions, and the novel coronavirus pneumonia pandemic.

Over half the chamber's members said they would increase investment in China if markets were to open up to the same degree as in the US, with half saying the investment environment in China had improved last year, up from 38 percent in 2018.

The chamber said member companies remained committed to the China market despite expecting a significant shock from the impact of pandemic.

POLICY RESPONSE

Jobs for veterans and foreign investment on agenda

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A number of ministry-level departments, including those responsible for veterans affairs, national development and reform, and civil aviation, have responded recently to issues of public concern.

10 measures to boost employment of veterans

China will provide temporary jobs to encourage veterans to work in industries involved in controlling the novel coronavirus pneumonia epidemic, the provision of public services and safeguarding people's livelihoods, the Ministry of Veterans Affairs said.

It was one of 10 measures issued by the ministry on Thursday in an effort to promote veterans' employment amid the epidemic.

Jobs in areas such as primary-level medical care and social services will be reserved for a higher percentage of veterans, it said.

The ministry said a mechanism

ensuring regular contact between primary veterans' service stations and retired military personnel will be established to inform them of the latest employment opportunities.

Given the current epidemic situation, full efforts will be made to promote online training and recruitment, it said.

The ministry will also help veterans who have lost their jobs to find new ones.

Timely aid for nation's civil aviation industry

China will increase infrastructure investment and cut corporate costs in the civil aviation industry as part of efforts to shore up the sector amid the novel coronavirus pneumonia epidemic, the Civil Aviation Administration said.

In a statement published on March 9, the administration said the civil aviation development fund will subsidize investment in fixed assets by companies in the sector.

Support will also be given to the resumption of major projects and



the planning and construction of key infrastructure such as air traffic control and oil supply facilities, it said.

Airlines will be temporarily exempted from paying contributions to the development fund, while financial support will be given to international air transport and key flight missions for disease control.

The administration also vowed to slash administrative fees and improve government services to support companies in the sector.

Foreign investment in manufacturing promoted

China will revise the Catalog for the Guidance of Foreign Investment Industries to further encourage foreign investment, the National Development and Reform Commission

said on Wednesday.

The revision will focus on promoting the high-quality development of manufacturing industry and tapping the potential of the country's central, western and northeastern regions for industrial relocation, the NDRC said in a notice.

During the novel coronavirus pneumonia epidemic, the NDRC also urged economic regulators at all levels to support the resumption of work at foreign-funded enterprises and projects.

It said local authorities should make regular visits to foreign-invested firms and projects to help solve their difficulties in resuming work.

Foreign firms and projects will enjoy the same access to supportive policies as domestic businesses, the notice said.

China will also simplify procedures for the establishment of projects, fully implement the negative list mechanism for foreign investment access and protect the legitimate rights of foreign-funded projects.

Community workers' problems a priority

The Ministry of Civil Affairs says local authorities must clarify work allowance standards for community workers on the front line of novel coronavirus control.

Chen Yueliang, director of the ministry's Community Governance Department, told a news conference on March 9 the move was part of efforts to solve problems faced by community workers who have remained at their posts since the outbreak began in Wuhan, Hubei province, late last year.

By March 8, a total of 53 community workers across the country had died on duty during epidemic prevention and control efforts, Chen said.

He said the ministry was also requiring local authorities to arrange for social organizations and workers to assess the mental health of community workers and provide psychological relief for them after the epidemic.

Timely and necessary rest for community workers should also be guaranteed by adjusting their schedules appropriately, he said.

Policy digest

More assistance for poor virus patients

The government will provide more assistance to impoverished novel coronavirus patients and their families, according to a notice issued by the Communist Party of China Central Committee's leading group on coping with the outbreak.

The assistance is part of the efforts to solve the urgent difficulties temporarily faced by some people during the epidemic and guarantee basic services, said the notice issued on March 7.

Temporary assistance should be offered to poor people with confirmed infections, and greater assistance should be provided to those with particular difficulties after review on a case-by-case basis, it said.

Local authorities should provide temporary assistance to households that face difficulties because their family members are quarantined or hospitalized.

As for nonresidents stranded by the epidemic, local authorities should provide temporary accommodation, food and clothing for them.

Migrant workers who are facing difficulties because they cannot find jobs, or receive family support due to the epidemic, should also be offered assistance, according to the notice.

It also stressed protection for the elderly, disabled and minors who do not have the ability to take care of themselves while their guardians are quarantined or receiving treatment for the virus.

Local authorities should keep in contact with and regularly visit the elderly, disabled and minors who are quarantined at home and provide them with assistance, it said.

The notice said that local authorities should also publicize help hotlines and run them smoothly to further improve assistance.

Investigators to assess resumption of work



Investigation and research teams will be sent to provincial-level regions to check progress on the resumption of work and production levels, as the novel coronavirus outbreak subsides.

The 29 teams will conduct the reviews this month, according to a notice issued by the general offices of the Communist Party of China Central Committee and the State Council on Thursday.

The move aims to help the regions tackle problems arising during the work resumption process, and to help them achieve this year's economic and social development goals, the notice said.

The teams will guide and support local authorities to better facilitate services and help enterprises solve difficulties caused by the epidemic, such as labor shortages, financial stress, lack of raw materials and broken supply chains, it said.

They will also investigate transportation, the return and employment of migrant workers, the resumption of companies' production capacity, the construction of ongoing and new projects, the implementation of major foreign-funded projects and spring agricultural production.

According to the notice, a priority of the research is to investigate the implementation of government policies and measures, such as reduction and exemptions of enterprises' social insurance contributions and the provision of low-interest loans.