

State Council aims to boost car sales

Subsidies and tax breaks for purchases of electric vehicles to be extended by two years

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The State Council has unveiled a raft of measures to revive slumping car sales amid the novel coronavirus pneumonia pandemic, as industry analysts call for more aid for carmakers badly bruised by weak demand.

The Cabinet announced after its executive meeting on March 31 that it will extend tax breaks and subsidies on electric-vehicle purchases by two years to boost the sluggish market.

The extension will enable buyers to enjoy a subsidy of up to 25,000 yuan (\$3,525) per vehicle and exemption from a 10 percent purchase tax.

The meeting also decided to reduce the value-added tax on the sale of used vehicles by special dealers to 0.5 percent, down from 2 percent, from next month to the end of 2023.

Central government financing will also help truck owners in key regions, such as the Beijing-Tianjin-Hebei cluster, replace trucks that do not meet emission standards, the Cabinet said in a statement.

China's auto sector suffered a 79.1 percent year-on-year drop in sales in February and expects a fall of around 8 percent this year due to the pandemic, according to the China Passenger Car Association.

The sector posted a second consecutive year of declining sales last year, with new car sales dropping 8.2 percent to 25.8 million units.

Over 97 percent of businesses in the auto sector have resumed production, with 82 percent of employees having returned to their jobs by March 31, according to the Ministry of Industry and Information Technology.

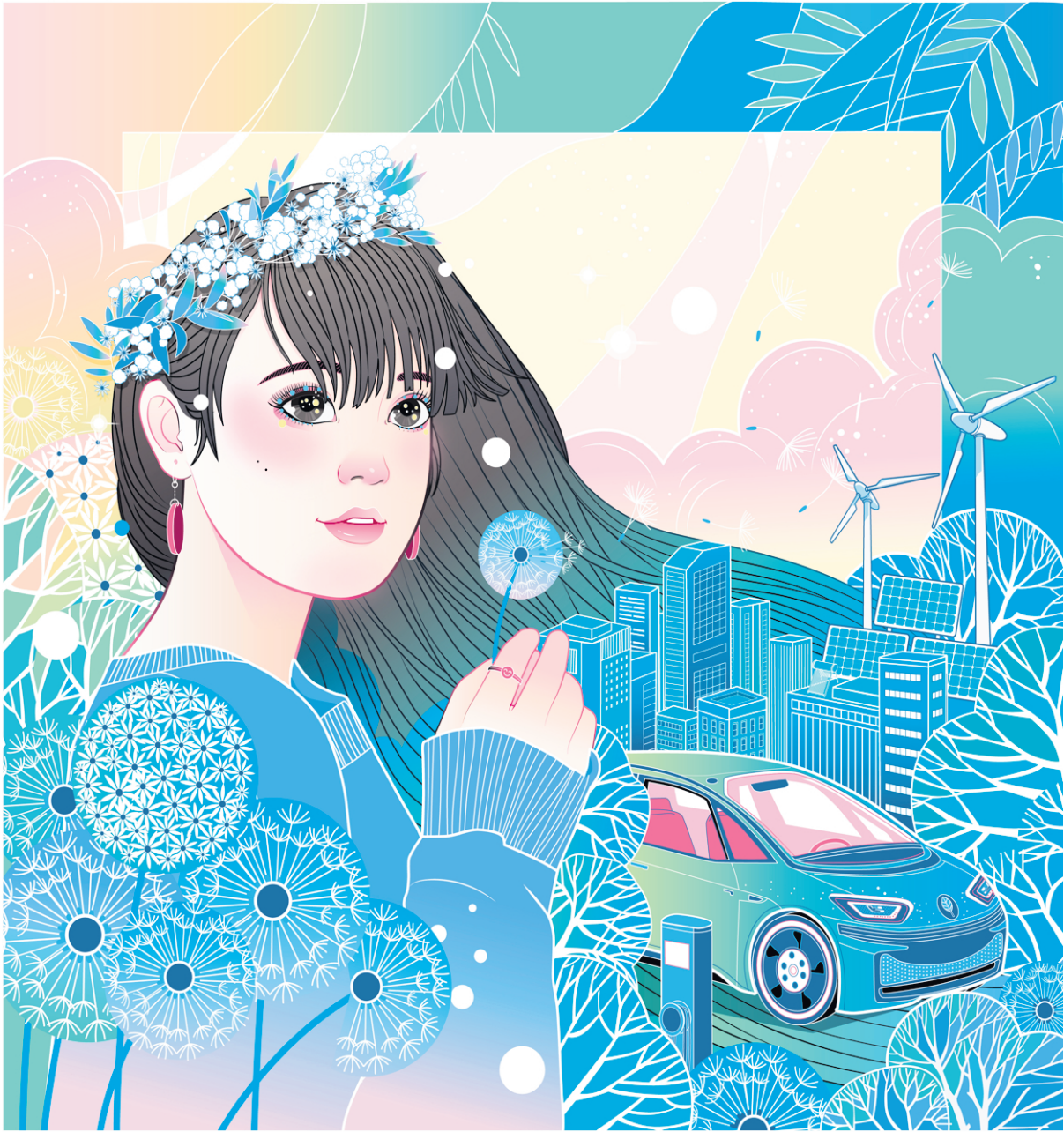
Wang Bin, deputy head of the Ministry of Commerce's Department of Market Operation and Consumption Promotion, told an online news briefing on Thursday that the accelerated spread of the pandemic overseas could deal a further blow to the growth of the auto sector.

The sector, a key pillar of the national economy, is also an area where consumption can be expanded and upgraded.

Wang said automobile production and related sectors accounted for 10 percent of the country's tax revenues and employment, with one job created in the auto sector leading to the creation of another seven jobs in related sectors.

The latest measures adopted by the central government will help reinvigorate the auto sector and its jobs, accelerate the rebound of consumption and contribute to the shaping of a strong domestic market, he added.

Wang said the Cabinet's decision to cut the VAT faced by used-car dealers would help China's second-



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“It will also help unleash the potential of the consumption of used cars and create a broader market space for the sale of new cars.”

Wang Bin, official from the Ministry of Commerce

hand car market become larger and more professional.

“It will also help unleash the potential of the used car market and create

a broader market space for the sale of new cars,” he said.

To boost the sluggish market and encourage car sales, authorities in a number of cities have come up with incentives, mainly in the form of subsidies to consumers.

In Guangzhou, the capital of Guangdong province, city authorities announced a plan on Friday that offered each buyer of a new-energy vehicle a subsidy of 10,000 yuan and more than doubled the number of license plates made available each month.

In Ningbo, Zhejiang province, people who buy a locally produced and registered vehicle from March 25 to Sept 30 will receive a subsidy of 5,000 yuan.

Authorities in at least 15 provin-

ces or cities have unveiled policies to bolster the auto market, either in the form of purchase subsidies or increasing the number of license plates made available to residents.

However, some industry insiders said the policies rolled out so far might not be enough to serve as a catalyst for an across-the-board market recovery.

Cui Dongshu, secretary-general of the China Passenger Car Association, said the best way to remove barriers to car sales was through lifting caps on car license plates, a key countercyclical tool during an economic slowdown.

“There is still huge untapped potential in many areas, and only the authorities in Guangdong have

shown relative enthusiasm in doing so,” he said.

At least seven cities, including Beijing, Shanghai, Guangzhou and Shenzhen — also in Guangdong — as well as Hainan province have imposed caps on car purchases by requiring residents to obtain license plates either through bidding or a lottery.

Cui said that even though government departments had rolled out a slew of policies to spur car purchases, sales had slid by a further 8 percent last year, an indicator that government needed to provide more fiscal incentives.

Incentives were also needed in second- and third-tier cities, as well as counties and rural areas, he said.

Policy digest

Premier signs decree on agricultural plants



Premier Li Keqiang has signed a State Council decree and issued a regulation on preventing and tackling diseases that affect agricultural plants, as well as pests and weeds that undermine their health.

The regulation, which was published on the State Council's website on Thursday and will take effect on May 1, aims to safeguard the country's food security and the quality of its agricultural produce.

It divides the threats into three categories, according to the seriousness of their potential impact, and says central government departments in charge of agriculture and rural affairs should coordinate efforts to tackle class one disasters, which are the most serious.

Agricultural authorities at the county level or above should watch out for disasters and report information obtained during their monitoring to their superiors in a timely manner, according to the regulation.

It says governments at the county level or above should launch an emergency response when a disaster occurs, and requires agricultural authorities to make emergency plans, carry out training and drills and store necessary emergency reserves.

The country supports organizations which specialize in offering services to protect the health of agricultural plants, and encourages them to apply environmentally friendly techniques to treat diseases and tackle pests, the regulation says.

The regulation also lists different kinds of behavior that are punishable by law, such as covering up monitoring information or providing it to foreign organizations and individuals without approval.

Rules change for range of business sectors

Among several regulations and policies that came into effect this month, the cap on foreign ownership of securities firms was revoked on Wednesday, the China Securities Regulatory Commission announced.

In another regulatory development, passengers are now banned from scribbling on subway platforms or taking animals onto subway trains, except for guide dogs, police dogs and army dogs.

The regulation on the organization, service and management of urban railway transport, issued by the Ministry of Transport, said passengers will also be prohibited from taking malodorous items onto subway trains, or begging on them, or making money by performing.

They must not talk loudly or turn on the speaker of their phone or other electronic devices while taking the train. They are also prohibited from riding skateboards or roller-skating on platforms or trains.

Disabled people will be able to board trains while using mobility scooters, but other passengers will not be allowed to board with self-balancing scooters, electric bikes or bicycles.

The regulation also makes it clear that passengers, except for infants and the sick, are not allowed to eat or drink on trains.

Another policy that took effect on Wednesday was a revision to the regulation on distant-water fishing.

The revision lists 13 kinds of illegal behavior for which the operators of fishing boats will be held accountable, including illegal, unreported and unregulated fishing and turning off boats' positioning equipment on purpose, according to the Ministry of Agriculture and Rural Affairs.

It also sets up a “blacklist” system for the heads of fishing companies and projects, as well as captains, who seriously violate the law.

POLICY RESPONSE

Small businesses to benefit from financial support

By WANG QINGYUN
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Some ministry-level departments, including those responsible for finance, human resources and social security, and education, have responded recently to issues of public concern.

Government-guaranteed credit support boosted

China will offer more government-guaranteed financing and credit support to small and micro-sized businesses and agricultural and rural entities to tide them over the current tough economic times.

Government-controlled financing guarantee and re-guarantee entities should offer more help to such businesses and coordinate with financial institutions to solve the financing problems of small and micro-sized businesses, the Ministry of Finance said in a circular issued on Wednesday.

The country will accelerate equity investment through the State Financing Guarantee Fund this year,

aiming to invest in 10 prefecture-level government-controlled financing guarantee institutions that have been successful in supporting small and micro-sized firms as well as agricultural and rural entities.

The fund will also work with banks' bulk guaranteed loan businesses, and is planning to increase reinsurance services by 400 billion yuan (\$56.4 billion) this year, the circular said.

Local government-controlled financing guarantee and re-guarantee entities will halve small and micro-sized businesses' costs for financing guarantee and re-guarantee services this year and increase services to such businesses and agricultural and rural entities.

National unemployment registration service opens

The Ministry of Human Resources and Social Security opened its national unemployment registration service on March 31.

People can access the registration service on the ministry's online services platform — <http://12333.gov.cn>

— or through the platform's smartphone application, as well as other websites and applications offering the service, the ministry said in an online statement.

They can also go to local public employment authorities to register.

The registration service is for unemployed people of working age who have the ability to work and want to find a job, including graduates and people who have left jobs, the ministry said.

Those registered will be able to enjoy free services such as guidance on employment policies and laws, and employment matching. Those eligible for government support, such as unemployment insurance, can apply during the registration process.

Ministry tells schools to keep their guard up

The Ministry of Education has told provincial-level education authorities to ensure the smooth operation of primary and high schools.

More schools are expected to open



and take in students this spring as China makes progress in controlling and preventing the spread of novel coronavirus pneumonia.

In a notice published on its website on March 31, the ministry said local education authorities must not let down their guard against the pandemic, and must keep the virus out of schools.

The authorities and schools should monitor the pandemic's impact on the mental health of teachers and students, and arrange for experts to offer targeted counseling services to them after careful analysis, the ministry said.

They should also launch a special program offering instruction

on disease prevention, and teaching the spirit the Chinese people have shown in fighting the virus.

Many students have been studying at home for more than a month because their schools delayed the new semester due to the novel coronavirus outbreak.

As a result, the ministry has required schools to assess the academic performance of each student and make targeted teaching plans for different grades and classes.

They should also pay more attention to special groups, such as the children of people working on the front line of disease control, and make sure no student is left behind, the ministry said.

It also asked the schools to offer online teaching to students who cannot attend school, such as those who are in quarantine, and to step up help for students about to graduate so that they can get ready for college or senior high school entrance examinations.

Xinhua contributed to this story.

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