

SOE MATTERS



A candidate (left) undergoes a job interview during a State-owned enterprise job fair in Shanghai in June. TENG JIANI / XINHUA

SIX PRIORITIES

Central SOEs providing more jobs amid COVID-19 headwinds

SASAC urges firms to create positions for fresh graduates and migrant workers

By ZHONG NAN
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China's centrally administrated State-owned enterprises have provided over 1 million new jobs for college graduates and migrant workers in the first half of this year, thanks to the early recovery of the national economy and supportive government policies, according to the country's top State assets regulator.

With China endeavoring to stabilize its job market via initiatives, such as new infrastructure, urbanization and transportation projects, the State-owned Assets Supervision and Administration Commission of the State Council has mobilized central SOEs to boost their recruitment for college graduates and migrant workers in a series of actions taken since late March.

To further mitigate the impact caused by COVID-19, the majority of central SOEs and their units have sought new employees via online recruitment events and other activities without any charge to help stabilize the country's job market this year.

Even though spring is usually an active hiring season in China, the unexpected outbreak disrupted the pace of recruitment, especially for new graduates, said Wu Manqing, general manager of Beijing-based

China Electronics Technology Group Corp, or CETC.

At Peking University alone, CETC and its 40 subsidiaries provided more than 700 jobs in 80 professional categories to graduates in May, said Wu, who has hosted and attended many online job fairs by partnering with universities, county-level governments and trade associations since late March.

Under their plans, China National Petroleum Corp, China Three Gorges Co and China Coal Technology and Engineering Group Corp plan to recruit 8,000, 1,748 and 1,700 graduates from colleges this year, respectively, said SASAC.

The number of college graduates this year is as high as 8.74 million, a rise of 400,000 from last year, said the Ministry of Education.

Graduates are facing greater challenges in finding jobs due to the pandemic. To ease the burden, the State Council has asked to expand the scale of recruitment by SOEs, public institutions and the military, along with graduate school enrollment and professional internship posts.

The coronavirus also stranded a large number of migrant workers in the country over the past several months, resulting in labor shortages in some regions, said Liao Tao, general manager of a goods delivery

unit of Beijing-based China Post Group Corp.

To help migrant workers get back to work, many central SOEs — including China Huadian Corp Ltd, China Communications Construction Co Ltd, China State Construction Engineering Corp and China Petrochemical Corp — have conducted "point-to-point" nonstop transportation services and established a series of urban infrastructure and public services facilities to help migrant workers find work in their vicinity.

SASAC also formulated a special recruitment plan targeting migrant workers in less developed counties. It requires central SOEs, especially labor-intensive ones, as well as China International Intellectual Co and SDIC Human Resources Service Co — two State-owned human resources service providers — to offer more positions for job seekers in counties under the poverty line. Approaches such as listing vacancies online and direct recruiting in counties with modest conditions will be adopted.

To maintain solid economic fundamentals, the government has emphasized the importance of focusing on the "six priorities" of safeguarding employment, people's livelihoods, the development of market entities, food and energy security, the stable operation of industrial and supply chains and the smooth functioning of society.

SASAC has also urged central

SOEs to ensure production efficiency and continue to expand their sales channels in economies involved in the Belt and Road Initiative as these moves will drive upstream and downstream businesses within the industrial and service chains to maintain production and operations in a stable and orderly manner.

Although the COVID-19 pandemic, geopolitical uncertainties and trade tensions will undoubtedly bring many new complexities and concerns, they will not be barriers that slow down SOE reforms, operations and efforts to create new jobs. Rather they will be catalysts, said Liang Jun, president of the Guangdong Association of State-owned Capital in Guangzhou.

As the upcoming three-year action plan for State-owned enterprises' reform (2020-22) will effectively support China's efforts to steer the economy toward innovation and technology-driven high-quality growth, China's SOEs will focus more on their main businesses, establish sound market-oriented operating mechanisms and further cut their monopolistic positions to better adapt to the changing market environment, Liang said.

China currently has 97 central SOEs, down from 117 six years ago, as a result of the central government's policy of restructuring SOEs to improve their earning capabilities and efficiency.

CARING HANDS

CMEC offers helping hand to ease housing crunch in Maldives

By ZHONG NAN

3,844

The Maldives, a popular tourist destination, is facing a severe housing shortage due to its limited space and growing population.

Helping solve the problem is China Machinery Engineering Co Ltd, or CMEC, a Beijing-based State-owned enterprise specializing in engineering contracting business, after the SOE completed construction on a third-phase housing project involving 1,530 apartments on Hulhumale Island in late June.

Hulhumale is the second largest island in the Maldives. It takes more than 10 minutes to reach by boat from the Maldives' capital, Male. Hulhumale, with an area of 2 square kilometers, was reclaimed from the sea in 1997.

As a satellite island, Hulhumale has directly relieved the long-term overpopulation pressure of Male — the most densely packed capital in the world. Hulhumale has about 150,000 people on its 1.87 sq km of land, accounting for one-third of the Maldives' population.

Because the Maldives declared a state of emergency to minimize the impact caused by the COVID-19 pandemic, the housing project had been temporarily suspended and all workers had to take training to prevent infections earlier this year, said Qian Haojun, deputy general manager of CMEC's second complete plants division.

Qian said the company resumed operations in early May after formulating emergency response plans and undergoing weeks of preparations. To prevent infections, all employees must wear surgical masks while working on its construction sites.

CMEC to date has completed construction of the housing project in three phases, with a total of 3,844 units and a construction area of more than 360,000 square meters, said Qian, adding that it is one of the key livelihood projects of the Maldives' government.

The first and second phases of the housing projects built by CMEC were successfully delivered to its owner — the Maldives government — in 2012 and 2017, respectively.

After all the third-phase projects are completed, they will solve the housing headaches of more than 30,000 locals, or 10 percent of the Maldives' residents, and will directly improve the crowded housing conditions in the country, particularly in the capital.

Qian said the company's housing construction work has brought business opportunities to more

total number of housing units that China Machinery Engineering Co Ltd has built in the Maldives

than 40 local construction contractors, material and daily necessities suppliers, as well as job opportunities for nearly 1,000 locals.

Because of the hot and humid climate, insufficient vegetable and fruit supplies, expensive living costs and homesickness, Qian described the Maldives as a paradise for tourists but a difficult place for his company's construction workers who nearly all come from China. However, it comforted him and compatriot colleagues when they saw locals move into the new homes CMEC had built for them.

In addition to creating new jobs for locals, these housing projects will also generate fresh momentum for hundreds of local shops as well as small and medium-sized enterprises to create a new integrated economic model for local infrastructure, commercial services and tourism, said Wei Xiaoguan, a researcher specializing in regional economic development at the University of International Business and Economics in Beijing.

Chinese companies, with their mature experiences and expertise in building big-ticket infrastructure projects, have become tangible growth drivers of the Belt and Road Initiative, Wei said.

Thanks to a string of measures taken to minimize the coronavirus impact, cooperation projects related to the BRI are generally running smoothly with no major delays in the first five months of 2020, said the Ministry of Commerce.

With more than three decades of experience in the engineering industry, CMEC — also a subsidiary of China National Machinery Industry Corp, a centrally administrated SOE — has developed the capacity to provide one-stop, customized, complete plant solutions spanning preliminary planning, EPC (engineering, procurement, construction), financing, operation and maintenance.

It has expanded its business presence to 47 countries and regions in Asia, Africa, Europe and South America, forming a project contracting network with electric power at its core and also covering transportation, telecommunications, waterworks, building materials and cement businesses.

POWERING AHEAD

Shenyang expands rail cargo links with Russia

By ZHANG XIAOMIN
in Dalian, Liaoning
and ZHONG NAN in Beijing

With China-Europe freight train service witnessing steady growth in the first half of the year, the first freight train heading for the planned largest rail cargo terminal in Russia left Shenyang, capital of Liaoning province, earlier this month to further boost trade volume between China's northeastern region and Europe.

The train is expected to arrive in Moscow within 13 to 15 days. It marks the first time the Berelast Logistics Center, which is located about 70 kilometers from Moscow's Red Square, participates with China on two-way rail cargo operations between the two continents.

"The building of the overseas service terminal for China-Europe freight train services is significant and ensures a smooth flow along the railway logistics corridor between China and Russia," said Zhang Yi, general manager of Dalian-based Liaoning Port Group, a subsidiary of China Merchants Group, a centrally administrated State-owned enterprise.

“The building of the overseas service terminal for China-Europe freight train services is significant and ensures a smooth flow along the railway logistics corridor between China and Russia.”

Zhang Yi, general manager of Liaoning Port Group

The train was loaded with 42 containers transporting auto parts, chemicals and mechanical equipment along with surgical masks donated by the Department of Commerce of Liaoning province and a number of institutions of Shenyang.

Zhang said the rail terminal of the Berelast Logistics Center, which was jointly built by Liaoning Port Group and Russian Railways beginning in 2017, is the first major logistics infrastructure cooperation project

between the two countries.

The two sides plan to build it into the largest railway cargo terminal in Russia with a total investment of 2 billion yuan (\$283 million) and an annual turnover capacity of 730,000 TEUs (20-foot equivalent units).

The first phase of the terminal was completed in the first half of this year. It launched its first freight train heading for China on June 18.

Shilo Alexey Nikolaevich, deputy general director of Russian Railways, said it is proof of the efficient cooperation between China and Russia in line with the needs of the Belt and Road Initiative and the Eurasian Economic Union.

"Together with China Merchants Group and Liaoning Port Group, we will continue to fully support the infrastructure construction of the Berelast Logistics Center, accelerate the improvement of service functions and promote the growth of cargo volume," Nikolaevich said.

As for construction of the Berelast Logistics Center, Song Yanlin, director-general of the Liaoning commercial department, said the province will speed up construction of a green Customs clearance pilot project

between China and Russia as well as the building of overseas warehouses and hub ports between Liaoning and Belyi Rast to promote trade between Northeast China and Russia.

Liaoning Port Group signed strategic cooperation agreements with Liaoning branches of China Export and Credit Insurance Corp, China Development Bank and Export-Import Bank of China.

The three financial institutions will support the group to implement its "going global" strategy, participate in BRI construction and foreign economic cooperation at a higher level and in a wider range, and actively promote the construction of an international shipping center and a major logistics center in Northeast Asia.

This year, while effectively coping with the impact of the coronavirus pandemic, Liaoning Port Group launched new China-Europe freight train services on several routes, offering better services to its customers both at home and abroad.

The China-Europe rail transport service was initiated in 2011 and is considered a significant part of the BRI to stimulate trade between



A container is loaded onto a China-Europe freight train at the Shenyang railway logistics center owned by Liaoning Port Group, a subsidiary of China Merchants Group, in Shenyang, Liaoning province, in July. NING YONG / FOR CHINA DAILY

China and countries participating in the initiative. Amid the coronavirus pandemic, the service has remained a reliable transportation channel.

The National Development and Reform Commission has allocated 200 million yuan from the central budget to support the construction of transportation hubs in five cities to improve China-Europe rail freight services, said China's top economic regulator earlier this week.

The funds will be used to support

the construction of demonstration projects in Zhengzhou, Chongqing, Chengdu, Xi'an and Urumqi to improve the efficiency of the transportation network of rail cargo services.

The commission said it will step up coordination to guide local governments in the construction of transportation centers and offer strong support for the joint building of the BRI.

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