POLICY REVIEW

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Cabinet boost for new energy vehicles

State Council issues blueprint aimed at developing unified nationwide market

By XU WEI
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The State Council has adopted a new blueprint for the growth of the new-energy-vehicle sector as it seeks to inject fresh momentum into the development of the world's largest auto market and enable breakthroughs in cutting-edge technologies.

In a statement released after its executive meeting on Friday, the Cabinet said the plan will give full play to the market having a decisive role in the allocation of resources and businesses will be encouraged to choose their own technology routes when developing their products.

The government will also improve its role in the making of regulations and standards and oversight of product quality and safety, it said.

To facilitate the orderly growth of the new-energy-vehicle sector, the government will push forward the shaping of a unified market nationwide and enable the sector to grow in a more concentrated and competitive manner.

Premier Li Keqiang said at the meeting that tackling key technologies must be the policy priority, and more emphasis will be given to the development of new-energy-vehicle infrastructure, which has not met surging market demand.

China has been the world's largest producer of automobiles and biggest auto market for the past 11 years and the country has also topped the global new-energy-vehicle market since 2015, with 4.17 million new energy vehicles sold as of June, according to a report by the China Society of Automotive Engineers.

However, the sector has been hit by weakened demand as auto sales dropped by 9.7 percent year-on-year to 14.55 million units in the first eight months of this year. Sales of new energy vehicles reached 596,000 during the period, down 26.4 percent year-on-year, according to the China Association of Automobile Manufacturers.

However, the downward trend reversed in April, with the automobile market posting positive year-on-year growth in the five months to August.

To further unleash the growth potential for the new-energy-vehicle sector, Friday's meeting highlighted the need to bolster development and innovation in car operating systems and power cells and support more in-depth integration between the new-energy-vehicle, energy, transport, information and communications sectors.

The coordinated and integrated development of electric technology, the internet and smart technologies will be pushed forward, with measures to enable synergies in standards and data sharing.

The construction of infrastructure such as charging and battery swapping stations will be stepped up, and the development of a public charging network featuring fast charging services along highways and in urban and rural areas will be sped up, the Cabinet said.

It also pledged to encourage more international cooperation in the new-energy-vehicle sector, saying that public service use of new energy vehicles will be boosted.

By next year, at least 80 percent of all public sector vehicles — including buses, taxis and mail trucks — operating in ecological pilot zones and areas with high levels of air pollution will be powered by clean energy, the Cabinet added.

Wan Gang, chairman of the China Association for Science and Technology and an expert on electric vehicles, said in a speech last month that the rise in new-energy-vehicle ownership has raised safety requirements for the vehicles.

Improving the level of safety for new-energy-vehicles will require the establishment of a control and prevention system that covers the full life cycles of vehicles — from design and manufacturing to recycling, he said.

Cui Dongshu, secretary-general of the China Passenger Car Association, said the blueprint rolled out by the Cabinet is intended to maintain the new-energy-vehicle sector's growth momentum.

He said China's new-energy-vehicle market has been segmented by different subsidy policies and standards imposed by local authorities, and the establishment of a unified national market will enable growth of the sector to be driven by the market rather than government subsidies.

"Only by establishing a unified market can businesses attain large-scale sales," he said.

By emphasizing the need to achieve breakthroughs in key technologies, the government is seeking to break bottlenecks in industry chains and guard against the threat of external technology blockades, he added.

Greater opening up of the sector and more international cooperation will usher in greater strides in its development, especially in high-end vehicles, Cui said.

"The government's decision to promote the use of new energy vehicles in public services is also an indicator of its commitment for the sector," he said.

POLICY RESPONSE

Unwanted large public sculptures and fake invoices targeted

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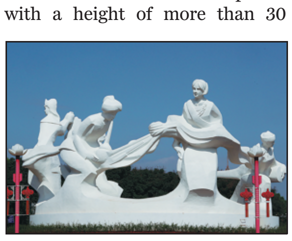
A number of ministry-level departments, including those responsible for urban-rural development, taxation, agriculture and medical products, have responded recently to matters of public concern.

Notice aims to rein in plans for large sculptures

The blind construction of large, unrealistic sculptures that fail to meet public demand will be strictly forbidden in Chinese cities, the Ministry of Housing and Urban-Rural Development said on Friday.

A notice issued by the ministry said the construction of sculptures with a height of more than 30 meters or a width of more than 45 meters will be strictly controlled and the building of such sculptures without adequate direction in the name of developing tourism or enhancing the image of cities will be forbidden.



Some sculptures have attracted public criticism for being excessively large, of low quality or inconsistent with the surrounding environment.

However, the notice also pointed out that a number of outstanding urban sculptures in various places have helped create a good public environment and enhanced local culture.

69.3b yuan in lost revenue netted by tax crackdown

Several ministries have cracked down on crimes related to the use of fake invoices and export-tax rebate fraud in a special campaign, the State Taxation Administration said on Friday.

The campaign was jointly launched by the tax administration, the Ministry of Public Security, the People's Bank of China and the General Administration of Customs in August 2018.

During the campaign, taxation law-enforcement departments investigated 275,000 enterprises accused of producing fake invoices worth 252.4 billion yuan ($37.7 billion) and recovered 69.3 billion yuan in lost tax revenue, the tax administration said.

During another campaign launched in March to crack down on enterprises that used fraudulent export declarations to enjoy value-added tax rebates amid the COVID-19 pandemic, a total of 3,495 enterprises were investigated for 13.7 billion yuan in illegal tax rebates, it added.

Grain output set to top 650m metric tons

China's grain output is expected to top 650 million metric tons for a sixth straight year, with the country having just finished its summer grain harvest and abundant yields expected this autumn, the Ministry of Agriculture and Rural Affairs said.

During the 13th Five-Year Plan (2016-20) period, local governments and departments across the country have implemented a strategy of sustainable farmland use and innovative application of agricultural technology, maintaining annual grain output at 650 million tons — about 470 kilograms per capita.

A report by Xinhua News Agency on Oct 4 quoted a ministry official as saying that China plans to maintain more than 1.13 million square kilometers of grain production area, including more than 533,000 sq km growing staple food.

To that end, the country will beef up efforts to develop high-quality wheat and rice, promote corn production, expand the area planted with soybean, encourage the planting of other grain crops, and increase the supply of high-quality, distinctive agricultural produce, the official said.

VAT cut to 3 percent on second batch of drugs

China has cut value-added tax to 3 percent on the import, production and sale of a second batch of anti-cancer and rare-disease drugs in a bid to lower costs for patients and boost the pharmaceutical industry, according to a statement published on Sept 30.

The statement, jointly issued by the National Medical Products Administration, the State Taxation Administration, the General Administration of Customs and the Ministry of Finance, said 14 rare-disease drugs, 39 anti-cancer drugs and six pharmaceutical ingredients of anti-cancer drugs would be included in a lower tax bracket from Oct 1.

China issued a first list of VAT reductions on rare-disease drugs last year that covered 21 drugs and four ingredients.

Policy digest

Interprovincial govt services promoted

The General Office of the State Council issued a set of guidelines on Sept 29 to promote interprovincial government services, urging local governments to offer enterprises and people easier access to such services.

The move is part of efforts to transform government functions, streamline administration and enhance governments' service delivery.

The document said China will facilitate interprovincial government services related to 140 items in high demand. The first batch of 58 items, including the registration of market entities, will be made available by the end of this year.

The circular said interprovincial services related to people's livelihoods were a priority, including those involving education, employment, social insurance, healthcare, housing and travel.

To support enterprises in their production and operations, the document stressed the need to simplify approval procedures for cross-regional investment and construction projects.

All regions will be encouraged to spearhead pilot trans-provincial service programs and to facilitate access to government services.

The document called for all procedures for administrative items on a national integrated platform for government services to be handled online.

For service items that must be legally provided on site, the document required the establishment of a unified window in government service halls for cross-provincial processing of materials.

It also stressed the need for interdepartmental coordination to minimize office visits by applicants, with documents shared via the national platform.

Local authorities are urged to make specific plans to implement the guidelines, it added.

Subsidies to encourage breeding programs

A guideline on promoting the high-quality development of the animal husbandry industry issued by the General Office of the State Council on Sept 27 outlined priorities to boost the sector's efficiency and competitiveness.

Efforts will be made to form a new high-quality development pattern in the sector that will see greater efficiency, safer products, efficient resource use, environmentally friendly production and effective regulation.

According to the guideline, the nation's self-sufficiency rate for hog products should stay at about 95 percent, with beef and mutton at about 85 percent and the rate for dairy products at about 70 percent.

It also said more than 70 percent of livestock and poultry breeding should be done on a large scale by 2025, and more than 75 percent by 2030.

The guideline called for efforts to facilitate the development of a modern farming system and strengthen the cultivation and promotion of exceptional breeds. To that end, subsidies will be provided to aid breeding programs in pastoral areas.

It also called for further improvements to the country's animal disease prevention system.

To build a modern processing and distribution system, the overall quality of the slaughtering and processing industry should be further improved, with large-scale, privately owned slaughtering enterprises established or revamped and small slaughtering stalls removed or merged.

A cold-chain processing and transportation system for livestock and poultry products should be improved in an efficient manner, the guideline said.

Cutting-edge technologies, including big data, artificial intelligence, cloud-computing and the internet of things, should play a bigger role in animal husbandry, it added.

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