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Capital hurdles removed as race for investment hits fast track

Private and foreign enterprises to be treated equally under enhanced commercial environment

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The business environment will be boosted by lowering the market-access threshold for private and foreign capital, and reducing the burdens on enterprises facing challenges arising from the changing external situation.

A State Council executive meeting, presided over by Premier Li Keqiang on Oct 22, approved five measures and urged the full carrying out of all favorable policies to ease difficulties for enterprises and increase their confidence and competitiveness, a statement released after the meeting said.

The country will further reduce policy barriers to private capital market access and fully carry out an updated version of the market access negative list, which will be completed by the end of this year, to make all non-forbidden areas accessible to private and overseas businesses, the statement said.

By the end of March next year, all barriers restraining foreign investors that are not on the negative list will be removed to ensure the same standards for domestic and overseas companies.

The meeting was the State Council's fifth this year on improving the business environment. It was also one of the latest occasions that China has reiterated the need to provide a better environment for investors and market entities, cut costs for market operations and promote a stable, fair and transparent business environment.

The business environment has become a con-

straint on regional economic growth, with developed regions such as Zhejiang and Guangdong provinces having a better such environment, said Zhu Lijia, a professor at the Chinese Academy of Governance. A high-quality business environment can boost productivity, he said.

Quan Heng, a researcher at the Shanghai Academy of Social Sciences, said optimization of the business environment played a vital role in transforming governmental functions. The government's focus has shifted from providing favorable policies to making a business environment built on fair competition, and investment and talent can be attracted when the environment gets better, he said.

This year marks the 40th anniversary of China's reform and opening-up policy. China's ranking in the Doing Business 2017 Global Report, released by the World Bank, went up 18 places. China also had higher scores in economic performance, governmental efficiency and business efficiency in the 2017 Global Competitiveness Report released by the Business School Lausanne in Switzerland.

An increasing number of market entities are being registered under an improved business environment. According to the State Administration for Market Regulation, each day in the first nine months saw 18,400 new enterprises registered. Meanwhile, several foreign-invested projects will be established in China, including German chemical giant BASF's sole venture in Guangdong prov-

18 places

China's rise in the rankings of the Doing Business 2017 Global Report, released by the World Bank

18,400 enterprises

The number of new enterprises registered each day in the first nine months of this year

ince at a cost of 10 billion euros (\$11.4 billion).

At the meeting, Li called for the fostering of a market-driven and law-based business environment that is in line with international standards. He said the international community takes business-environment improvement as a vital indicator when considering cooperation with China.

The market access negative list and the negative list for foreign investors have been introduced and carried out, but some other barriers and restrictions still remain, said Cui Fan, a professor of international trade at the University of International Business and Economics.

Cui, also deputy secretary-general of the China Society for World Trade Organization Studies, said removing market access barriers takes a long time and requires concrete efforts before ultimately making a fair competitive playing field for State-owned, private and foreign capital.

The new moves will promote reforms for domestic private enterprises and the further opening up to foreign companies, Cui said, adding that they will also be beneficial for attracting foreign investments amid challenges such as trade friction and downward pressure on economic growth.

In addition, the executive meeting also urged tax reductions, lower fees for enterprises and their social security contributions. More concrete measures will be deliberated and promulgated. Administrative approvals will be further cut and all such approvals not included in a new list modified by the end of next March will not be allowed.

POLICY RESPONSE

Off-campus training, relief efforts among key topics

By XU WEI

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Several ministry-level departments, including education, emergency management and the State Medical Insurance Administration, have responded recently to issues of public concern.

Institutions must ensure teacher quality

The Ministry of Education urged institutions that provide off-campus academic training for middle and primary school students to ensure that their teachers have corresponding qualifications.

Zhu Zhiwen, vice-minister of education, said in a meeting held on Friday that such institutions must step up management of their teachers.

Schools must also take measures to ensure teachers do not take part-time jobs at off-campus training institutions or host tutoring classes on their own.

A long-term oversight mechanism must be established to strengthen routine supervision of off-campus institutions. Local authorities are also urged to step up supervision and assessment.

The country bolstered the oversight of institutions that provide off-campus academic training for students in August to reduce the burden for middle and primary school students and standardize the development of such institutions.



More aid given to landslide-hit area



Authorities have bolstered disaster relief efforts to the landslide-hit Tibet autonomous region as well as Sichuan and Yunnan provinces.

The Ministry of Finance and the Ministry of Emergency Management said in a statement on Oct 24 that a relief fund of 135 million yuan (\$19.5 million) has been allocated to landslide-hit areas together with 3,000 tents, 30,000 cotton-padded coats and quilts, and 15,000 folding beds.

The supplies will be used to support relief work, including relocating affected residents, offering the daily necessities and rebuilding damaged houses, the statement said.

China activated a level-IV emergency response, the lowest level, after a landslide struck the border area of Sichuan and Tibet on Oct 11.

The landslide resulted in the formation of a barrier lake near a section of the Jinsha River. More than 21,000 people had been relocated as of Oct 12, with no reports of any casualties.

Rural communities to get better healthcare

Authorities unveiled a three-year plan on Oct 20 to boost health insurance for impoverished residents in rural areas.

The 2018-2020 plan, jointly issued by the State Medical Insurance Administration and two other departments, aims to ensure poverty-stricken rural residents benefit more from health insurance.

People living in extremely impoverished areas and those in poverty because of illness will be the major beneficiaries of the plan. It covers basic medical and major disease insurance and medical assistance should cover every rural resi-

dent by 2020. Insurance for diseases will cover more of the medical fees of impoverished rural residents by 2020.

The disparity in medical insurance between urban and rural areas will also be narrowed, and people in extreme poverty will receive full reimbursement for their medical insurance costs.

The move is part of China's efforts to lift 30 million people out of poverty by 2020.

New schools to be given air-quality tests

A nationwide inspection of indoor air quality in newly built schools and student dormitories was launched after students suffered dizziness and nosebleeds due to excessive levels of formaldehyde in some areas.

The State Council's education supervision committee released a statement on Thursday, urging local authorities to conduct a thorough inspection of indoor air quality in new schools, including dormitories and equipment that were put into use this year.

Schools where students suffer from dizziness and nosebleeds should hire recognized third-party institutions for air quality tests and publicize the results, it added.

Parents and the public should be informed of the inspection results via school bulletin boards or online platforms, the statement said.

The committee also urged schools with unacceptable indoor air quality to rectify the issue in a timely fashion, adding that school buildings cannot be put into use until air quality reaches national standards.



Policy digest

Firms get finance access

China will help private and small businesses get better access to financial services, a State Council executive meeting chaired by Premier Li Keqiang decided on Oct 22.

Policies will be rolled out to help the stable and healthy development of private businesses, according to a statement released after the meeting.

More support will be ushered to small and micro-sized financial institutions, including expanded support in relays and rediscounts, the statement said.

The government will also promote the bond issuances of private businesses to help solve funding problems.

The central bank will provide initial funding support to professional institutions, which are entitled to provide credit enhancement to private businesses that face liquidity problems.

The professional institutions, which will run the bonds in line with market principles, will be required to take measures against financial risks.

Commercial banks and insurance companies will be encouraged to take part in the bond issuance when conditions are met, so that a risk-sharing mechanism can be established.

It was also decided at the meeting that an Internet Plus supervision system will be established to step up oversight of regional governments and departments as they assume functions of supervision.

The system, which will be based on the national administrative service platform, is also aimed at detecting and preventing risks that span multiple sectors and regions. The system will be unveiled in September 2019 together with the national administrative service platform, the statement said.

Bigger role for port trade



China will further refine the business environment at its ports and boost cross-border trade, according to a work plan issued by the State Council on Oct 19.

The plan, which includes measures such as streamlined paperwork for imports, exports and shortened time for customs clearance, is aimed at promoting efficient trade facilitation and maintaining stable and healthy growth of foreign trade.

According to the plan, the number of documents required for imports and exports will be cut to 48 from the current 86 starting from November.

By the end of 2020, the government will ensure that all certificates required for customs clearance can be applied for online.

One-stop services will be further promoted so that they can cover 80 percent of administrative services related to international trade by the end of this year and 100 percent of services by the end of 2020.

The time required for customs clearance will be cut by half by the end of 2021 compared with level in 2017.

The costs for custom clearance will also be reduced as authorities are required to make public a list of fees charged at ports before the end of this month. No additional fees can be levied in export and import procedures without approval from the State Council, the plan said.

Fire rescue team boosted



The fire service and armed forestry police will become part of the national firefighting rescue team, according to a plan released on Oct 18.

The plan, released by the General Office of the Communist Party of China Central Committee and the General Office of the State Council, will improve disaster prevention and rescue capacity.

The fire service, previously a police unit, will be transformed into a fire and rescue service that will be governed by the Ministry of Emergency Management, according to the plan.

The plan said that the forces and resources of emergency rescue should be optimized and integrated to give full play to the team's role as the main force and national team in emergency rescue.

The country will establish an honor system for the fire and rescue services, including special badges, flags and uniforms. A system of awards and decorations will also be established, according to the plan.

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