

SOE MATTERS

PLANNING FOR GROWTH



China Railway employees pave a road in Batang county, Sichuan province, in July. PROVIDED TO CHINA DAILY

Central companies marrying CSR with poverty alleviation

Projects boost e-commerce, tourism, cultivation in less-developed areas

By ZHONG NAN
zhongnan@chinadaily.com.cn

For a long time, the country's poverty-stricken areas produced various goods, but inadequate sales channels created problems in distribution that resulted in imbalances in growth.

Now, the China's top State asset regulator has said centrally administered State-owned enterprises will resolve the problem by boosting domestic demand and fostering coordinated regional development via discharge of their CSR — corporate social responsibility — obligations.

Central SOEs have already invested almost 100 billion yuan (\$14.85 billion) to help lift 221 poor counties out of poverty since 2016, according to data from the State-owned Assets Supervision and Administration Commission of the State Council.

They have been increasing infrastructure investment in poverty-stricken areas to help solve livelihood problems, said Hao Peng, chairman of the commission.

"This demonstrates that central SOEs are taking a leading role in fulfilling their corporate social responsibilities," Hao said.

"The country's poverty-alleviation efforts are not just meant to improve living standards so as to lift people above the poverty line, but also to first help them shake off poverty and then help them find an approach so they can work their way up to a better life on their own."

China Railway First Group Co Ltd, a subsidiary of China Railway

Group Ltd, a Beijing-based construction contractor, invested 12 million yuan to help build four intelligent greenhouses and a training center for farmers.

The project helped farmers to cultivate edible black fungus in Jinmi village of Zhashui county, Shaanxi province, in 2019.

Located in the Qinling Mountains, the intelligent fungus greenhouses helped boost production output. Farm work has become easier to manage and the quality of fungus is ensured by modern farming technologies, said Wang Li, chairman of the labor union of China Railway First Group.

Jinmi village's black fungus is sold via conventional outlets as well as e-commerce and live-streaming channels, he said.

Rather than giving villagers living in poverty simple handouts, central SOEs' poverty alleviation campaigns are meant to help them to find a practical way to work their own way out of poverty. The campaigns also provide safety nets so that an event such as a serious illness in a family does not push the entire household back into poverty, he said.

Xiao Qingsong, a local farmer, said he earned over 30,000 yuan after planting black fungus last year. He opened a restaurant in September as the village, which is complete with modern facilities, attracting an increasing number of visitors from neighboring cities.

"With this new business at home, I don't need to work in other cities as a migrant worker like before and I have more time to look after my children and parents while resid-

ing in the village," he said. "This stable income source has also convinced a number of young people to stay at home and grow various agricultural products this year."

The village's online stores have sold more 25 million yuan worth of agricultural products. About 90 percent of them are different varieties of black fungus, said Jiang Baichuan, the village's Party secretary.

China Three Gorges Corp, or CTG, another central SOE, said it has conducted 48 poverty alleviation projects this year entailing 400 million yuan in financial assistance to four designated counties.

According to CTG, the projects cover supplies of food and clothes, and compulsory education, basic medical care and safe housing guarantees as well as sectors like tourism, e-commerce, planting and breeding.

Under its plan, about 97.4 million yuan will be spent on medical support, which includes repletion of four CTG medical poverty alleviation funds and renovation and expansion of two county hospitals.

Wang Lin, president of CTG, said the implementation of these projects will help regional economic growth to recover from the effects of COVID-19 pandemic and consolidate poverty alleviation gains, which will lay a solid foundation for rural revitalization.

CTG has run poverty alleviation projects in four counties — Wushan and Fengjie counties in Chongqing, Wan'an county in Jiangxi province and Baarin Left Banner in the Inner Mongolia autonomous region — since 2002.

Over the past 18 years, it deputed 38 employees for project work and invested 850 million yuan in 298 projects. These four counties are

now poverty-free.

CTG said it has so far invested more than 8.35 billion yuan on poverty alleviation programs and initiated over 1,400 supportive projects, benefiting more than 1 million people.

China has set for itself the goal of ensuring no one remains below the poverty by the end this year. The number of impoverished people has been brought down from 98.99 million in 2012 to 5.51 million by the end of last year, according to the State Council Leading Group Office of Poverty Alleviation and Development.

In addition to deploying more resources to help poverty-stricken areas, central SOEs will promote the structural adjustment of sections of the economy that are State-owned, the SASAC said earlier this month.

Central SOEs will advance mixed-ownership reform, and enhance cooperation between SOEs and private companies during the 14th Five-Year Plan (2021-25) period, the commission said.

By partnering with private businesses, central SOEs have initiated 214 strategic alliances for industrial technology innovation and built 54 internet-connected industrial platforms.

Through industrial funds, equity purchases and other methods, central SOEs invested more than 400 billion yuan in over 6,000 private companies since 2013, according to SASAC data released last week.

Meanwhile, the government has guided central SOEs to reinforce management, become active shareholders after investing in private-sector entities, strictly regulate transactions and promote disclosure of information.

Sinograin eyes high-tech to ensure food supply

By ZHONG NAN

China Grain Reserves Group Ltd (Sinograin), the country's largest grain storage and transportation company, pledged to apply more digital technologies and enhance cross-industry cooperation during the 14th Five-Year Plan (2021-25) period to help ensure national food security, said its top executive.

Deng Yiwu, chairman of the centrally-administered State-owned enterprise, said that thanks to support from a system of storage technologies targeting specific eco-regions and varieties of grains, smart technologies have already been applied to the company's business operations. It now runs the world's largest internet of things network in the global grain storage sector.

The company will continue to carry out standardized and technology-based warehousing management to guarantee the authenticity and high quality of all kinds of grain storage, Deng said.

The Beijing-based group currently operates more than 960 grain, oil and cotton storage facilities, with a combined storage capacity of nearly 100 million metric tons. Its warehousing facilities are made up of large house granaries, shallow bins, tower silos and various oil storage tankers, with main varieties of reserves including wheat, rice, corn, soybeans, cotton and edible oils.

Even though emergencies such as the COVID-19 pandemic have had an impact on the country's economic growth as well as changes in grain supply and demand in certain provinces, Sinograin has actively worked with grain processing companies across China to cumulatively put more than 100 million tons of grain and oil into the market, thus ensuring sufficient and reliable grain supply and helping stabilize food prices.

"Strengthening scientific and technological innovation is an inevitable requirement for us to respond to the new situation of international competition and implementing an innovation-driven development strategy," he said, adding that it is an inevitable requirement for implementing the new national food security strategy, and promoting the transformation and upgrading of the grain industry.

Based on its role in implementing macroeconomic regulatory policy, Sinograin — supported by more than 40,000 employees and 30 subsidiaries — undertakes the tasks of

grain and oil procurement, sales, allocation and storage.

Guided by government policies such as the country's first policy document of the year, the company ensures that: farmers can sell their grain at reasonable prices; domestic grain supply meets market demand; grain prices are basically stable, and farmers' economic interests and national grain security are guaranteed.

It also sells central grain and oil reserves that are nearing expiration dates, and purchases grain and oil up to certain quality standards in accordance with government plans each year.

Eager to stabilize the agricultural sector and harness the role of rural areas, China's first policy document of the year contains scaled-up measures to ensure that the country can win the battle against poverty across the board as well as strengthen weak links in rural areas and certain agricultural production areas.

This is the 17th consecutive year in which the document — issued annually by the Communist Party of China Central Committee and the State Council — has focused on grain production and rural issues.

In realizing food security, China will diversify import channels, increase imports of agricultural products that meet domestic demand and adjust and improve a minimum-purchase-price system for rice and wheat, according to the document.

In addition to signing business contracts and cooperation agreements with the world's major agricultural goods traders — including United States-based Cargill Inc and France's Louis Dreyfus Co — to import soybeans in recent years, the company will continue to adapt to new international economic and trade conditions and actively adjust its source for imports of certain agricultural products, especially with markets taking part in the Belt and Road Initiative, Sinograin President Chi Jingtao said.

China's summer grain output reached a historic high of 142.8 million tons this year despite the COVID-19 pandemic, said the National Bureau of Statistics.

The bumper harvest laid a solid foundation for this year's food supply, which gives China strong confidence in its goal of building a moderately prosperous society in all respects and winning the battle against poverty, said Zheng Fengtian, a professor of rural development at Beijing-based Renmin University of China.



A Sinograin employee checks quality of rice at the company's depot in Guangzhou, Guangdong province, in September. PROVIDED TO CHINA DAILY

SIX PRIORITIES

Haiyang nuclear plant furthers nation's green push

By ZHENG XIN
zhengxin@chinadaily.com.cn

Haiyang nuclear power plant in Shandong province had generated more than 32.8 billion kilowatts of electricity by the end of September, according to its operator Shandong Nuclear Power Co, a subsidiary of State Power Investment Corp.

The plant's unit one facility began operating in October 2018 while its unit two facility began operating in January of last year.

Being the country's first commercial nuclear heating project, the plant's two Westinghouse AP1000 units, which extract non-radioactive steam from the facility's sec-

32.8 billion kW

electricity that Haiyang nuclear power plant has generated by the end of September

ondary circuit, have also provided heating to 700,000 square meters of housing since November 2019, including SNPC's dormitory and some residents of Haiyang, said the company.

A 300,000-metric-ton large-scale nuclear desalination demonstration project that provides clean water for residents and industries in the area will also begin operations this year, it said.

The facility's use of nuclear energy heating is expected to make unnecessary the use of 23,200 tons of coal annually.

The Haiyang nuclear energy heating project is expected to provide heating to all of Haiyang by 2021.

Shandong is aiming to become a major nuclear player in the country along with the provinces of Zhejiang, Guangdong and Fujian. And Shandong's Yantai city will become a center for nuclear development in North China.

An analyst said China's nuclear power plant construction in the coming years is expected to advance steadily, playing a more significant role in the country's energy mix and

gradually replacing fossil fuels on a large scale.

Wei Hanyang, a power market analyst at Bloomberg New Energy, said the Haiyang plant is the first commercial attempt in China to supply heat from nuclear power.

"China is undergoing an approval process for a nuclear-based heat plant in Heilongjiang province, which will be the first inland reactor no longer associated with electricity generation," Wei said.

"Both efforts in Shandong and Heilongjiang underscore China's resolution to decarbonize its energy-intensive heating sector," he said.

Wang Shoujun, council president of the Chinese Nuclear Society, said the country's nuclear sector has entered a new period of development and opportunity.

China has become one of the top players on the global stage for nuclear power generation, possessing an advanced nuclear power industry chain including uranium resources exploration, nuclear fuel supply, engineering design and development, engineering supervision, equipment manufacturing, operational maintenance and disposal of radioactive waste.

All of these have laid a solid foundation for the country's secure and efficient development of nuclear power, Wang said.

The State Council, the country's Cabinet, has approved construction of four homegrown Hualong

One reactors: two as part of the phase one facility at San'ao plant in Zhejiang and the remaining two as part of the phase two facility at Changjiang plant in Hainan province, which insiders said they believe will reboot the country's nuclear power sector.

By the end of last month, China had 48 nuclear facilities in operation with an installed capacity of 49.88 GW, ranking third worldwide. Currently, 14 nuclear units are under construction with installed capacity reaching 15.53 GW, which is leading worldwide.

Nuclear projects in the country will focus on large-scale mass production of domestically developed third-generation reactors including Hualong One, which is already officially in mass production mode, according to the nuclear society.