

TOP NEWS

Li hails 'critical role' of directly channeled funds

Meeting pledges to expand mechanism, ensuring more finances go to grassroots

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China will work to expand the coverage of directly channeled funds under the special transfer payment mechanism and improve its management to enable more efficient use of fiscal funds by further advancing reforms, the State Council's executive meeting chaired by Premier Li Keqiang decided on Wednesday.

It was agreed at the meeting that the special transfer payment mechanism, which ensures that increased fiscal funds go to grassroots governments and businesses, has delivered visible results.

By the end of September, among the 2 trillion yuan (\$300.6 billion) of additional fiscal funds, 1.57 trillion yuan of the 1.7 trillion yuan designated for localities had been delivered to primary-level government departments. With the replenishment of fiscal resources, local governments have been in a better position to deliver tax and fee cuts, secure jobs, protect market entities and people's livelihoods, support major projects and poverty reduction, and perform their functions.

In the first three quarters of this year, new tax and fee reductions exceeded 2 trillion yuan.

"The special transfer payment mechanism has played a critical role in enacting our relief policies on a sizable scale. This highly effective approach shall continue to be well applied," Li said.

Coverage of the directly channeled funds will be expanded. Transfer payments that can be directly distributed under fiscal responsibilities shared by central and local governments, eligible special transfer payments, and general transfer payments of subsidy funding to guarantee basic

fiscal capacity at the county-level can be included in the special mechanism. This will essentially ensure full coverage of livelihood subsidies supported by the central government budget, on-time and in-full payment of teachers' wages for compulsory education, and greater support for the functioning of primary-level governments.

"Normally, funding from treasury bonds is spent on designated projects. Yet this year we are facing a special situation. Funds raised from the special bond for COVID-19 control shall cover more areas, including current expenditure programs," Li said. "But primary-level governments must ensure that their spending is well calculated."

These directly channeled funds will be better managed. Funding to be channeled through transfer payment can be allocated in advance as appropriate. Government departments nationwide need to step up efforts to ensure that the funds are distributed in a more calibrated, better regulated and more effective way.

"The mechanism shall be further improved. The COVID-19 bond is a special step amid unusual times, and primary-level governments are responsible for principal repayment," Li said.

The meeting required accelerating data opening and sharing among government departments, and enforcing rigorous monitoring over the entire process of the movement of the directly channeled funds.

"Auditing and monitoring must be stepped up to ensure that the funds are channeled to the most needed areas and are put to effective use," Li said. "No muddying the waters or fishing for profit is allowed."

Targets: 'Grim situation' still exists, official says

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Sixty percent of public buses in the country are electric, compared with only 20 percent in 2015, he added.

Great achievements have also been recorded in water pollution control with the reduction in pollutant discharges, according to the ministry.

By the end of 2019, the country had brought 74.9 percent of its surface water to a quality level at or above Grade III, the third-highest level in the country's five-tier water quality system, up by 8.9 percentage points from 2015. The proportion of water with quality below Grade V, the poorest quality level, decreased by 6.3 percentage points

to 3.4 percent, the ministry said.

It also said that by the end of September, 81.2 percent of the country's surface water was at Grade III or above, and the proportion of water below Grade V has declined to only 0.8 percent.

Despite the achievement, Zhao said "the grim situation of pollution control and environmental protection in the country has yet to be changed fundamentally."

The most outstanding problem is that no fundamental changes have occurred in the dominance of the heavy chemical sector in the industrial structure, the reliance on coal for energy consumption and the dependence on roads in transportation, he noted.

Eyes of the tiger



A tiger's face photographed by the French artist Sophie is displayed on the walls of apartment buildings in Chengdu, Sichuan province, on Tuesday. The photograph aims to raise people's awareness of wildlife protection. WANG LEI / CHINA NEWS SERVICE

Plentiful harvest



A villager collects freshly harvested lotus roots in a pond in Anlong county of Qianxinan Buyei and Miao autonomous prefecture, Guizhou province, on Wednesday. Lotus roots, a popular vegetable in China, are usually harvested at this time of year. LIU CHAOFU / FOR CHINA DAILY

China 'strongly dissatisfied' with Sweden's 5G decision

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China urged Sweden on Wednesday to reverse its decision to ban Chinese companies from its upcoming 5G network construction, in order to prevent the move from having a negative impact on bilateral trade cooperation and the operation of Swedish companies in China.

"The Chinese side is strongly dissatisfied with Sweden's decision," Foreign Ministry spokesman Zhao Lijian told reporters at a news briefing in Beijing, urging Sweden to adopt an objective and fair attitude.

The Swedish Post and Telecom Authority, the country's telecom regulator, said on Tuesday that four wireless carriers bidding for frequencies in an upcoming spectrum auction for the new 5G networks must not use equipment from Huawei or ZTE and wireless carriers that plan to use existing

telecommunications infrastructure for 5G networks must also rip out any existing gear from Huawei or ZTE.

The conditions were based on assessments by the Swedish military and security service, it said.

Zhao said Sweden is denigrating the reputation of Chinese companies and cracking down on Chinese telecom companies under the pretext of national security without any evidence.

"Politicizing normal economic cooperation goes against the free, open, fair, just and nondiscriminatory principles of the market economy as well as international economic and trade rules that are followed by Sweden," he said.

The spokesman noted that Chinese companies such as Huawei and ZTE have been strictly following local laws, actively promoting information and communications cooperation between China and Sweden, and making positive contributions to infrastructure develop-

ment in the Scandinavian country.

And the Chinese market has remained open to European companies including those from Sweden, he added.

A statement released by the Chinese embassy in Sweden said that some people in the country claim that equipment supplied by Chinese companies, such as Huawei and ZTE, poses "threats to national security", but they are unable to present any concrete evidence.

"We firmly object to abusing the concept of 'national security', and to excluding specific companies from specific countries without any factual basis or evidence," the statement said.

The United States has waged an intense lobbying campaign in Europe to persuade its allies to shun Huawei and Sweden is the latest EU country to prohibit the company from playing a role in building 5G networks.

Minister: Nation makes major advances in technology innovation

By ZHANG ZHIHAO
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China has witnessed steady growth in a number of major indicators for science, technology and innovation capability in the last five years, and the country will continue to implement an innovation-driven development strategy as it strives to become a global powerhouse in these fields, officials said on Wednesday.

Enhancing basic research, deepening reforms of research institutions and management, training quality talents and expanding international cooperation are key objectives for creating original breakthroughs to meet the nation's socioeconomic needs, they added.

"The period of the 13th Five-Year Plan from 2016 to 2020 is a decisive stage in building a moderately prosperous society in all respects and a crucial period in making China an innovative country," Wang Zhigang, minister of science and technology, said at a news conference held by the State Council Information Office.

"We have made greater efforts to achieve breakthroughs in core technologies in key areas, advanced reform of science and technology management, and intensified cooperation," he said.

2.21 trillion yuan

Total spending on China's research and development in 2019

In 2019, China's research and development spending reached 2.21 trillion yuan (\$332 billion), up from 1.42 trillion yuan in 2015. R&D spending on basic research has almost doubled since 2015, reaching 133.6 billion yuan last year, Wang said.

China has also doubled the value of its technology market since 2015, exceeding 2.21 trillion yuan last year, he said. China now has 169 national-level high-tech development zones and over 225,000 high-tech companies, up from 79,000 in 2015.

China's ranking on the Global Innovation Index released by the World Intellectual Property Organization jumped from 29th in 2015 to 14th in 2020, he said. The number of full-time R&D personnel in the nation grew from 3.76 million in 2015 to 4.8 million last year.

In terms of basic research, Chinese scientists have made many breakthroughs with international influence in frontier sciences, including quantum communica-

tion, material science, computer science, electronic engineering, biology, and space and deep-sea exploration, Wang said.

Qin Yong, head of the ministry's Department of New and High Technology, said recent breakthroughs in basic research have translated into new products and services that have benefited society.

For example, China now owns 45 percent of the top 500 supercomputers in the world. It is also building a new magnetic levitation train that can travel at 600 kilometers per hour, he said. China also has the largest number of patents in 5G telecommunication technology and has built over 600,000 5G stations, supporting 110 million users.

In the next five years, China will put more efforts into developing the new generation of technologies, such as intelligent and quantum technologies. It will also nurture new high-tech industries that can support high-quality economic growth, he added.

Xu Jing, head of the ministry's Department of Strategic Planning, said China will train more high-quality young talents, build more scientific labs and instruments, and improve the global influence of China's scientific output.

Forum: Ratio of debt to GDP to stay stable

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The commission will further improve regulations to deepen opening-up and sharpen the country's financial competitiveness while safeguarding financial security, he said.

"We will steadily push ahead rule-based capital market opening-up," said Yi Huiman, chairman of the China Securities Regulatory Commission, the top securities watchdog, adding that the commission will refer to mature market practices when improving fundamental rules of the capital market.

The commission will improve the capital market's institutional framework, with market-oriented reform of initial public offerings as a key focus, work to streamline and unify the channels for foreign capital to take part in domestic markets and further open the futures and bond markets, Yi said.

Vice-premier Liu also called for maintaining the stability of the country's monetary policy and keeping market liquidity reasonably ample, adding that is important to strengthen international macro policy coordination to promote the global recovery.

Yi Gang, governor of the People's Bank of China, the central bank, said at the conference that China will maintain a prudent monetary policy and improve the structural financial policies for mitigating the impact of the COVID-19 pandemic.

The central bank governor forecast positive GDP growth this year, although uncertainties still exist due to the pandemic.

"Some policies have completed their temporary missions, but some measures, especially for supporting small, micro and private companies and stabilizing employment and green development, must continue in order to facilitate the nation's dual-circulation development pattern," said Yi.

The dual-circulation pattern means relying more on the domestic economy to drive growth while the domestic and foreign markets complement each other.

China will sustain conventional monetary policies as long as possible, and policies beneficial for the sustainable growth of the economy and society, he added.

Yi expected a stable debt-to-GDP ratio in next year, as GDP growth continually accelerates and the overall money supply remains reasonable for risk control.

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