

Wider market opening planned for Guangdong

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Further details have been released on the planned trial of new policies to foster cross-border trade settlement in renminbi in two pilots zones in South China's Guangdong province.

Senior officials have revealed the plans will include the creation of a new real estate investment fund, and see the securitization of individual housing mortgage loans in the province.

FINANCE

They also added that local private lenders will be actively encouraged to join the banking sector to better serve the economy.

The pilot project aims to boost the internationalization of the yuan and facilitate closer financial ties between the region and Hong Kong, while reducing risk of currency exchange rate fluctuation for local companies.

Zhou Gaoxiong, director of the finance affairs office of the provincial government, said the two newly revealed initiatives are included in an overall plan to "build a comprehensive experimental zone of financial reform and innovation in the Pearl River Delta in Guangdong", currently being examined.

He added the government will issue further details on implementing the plan, although no specific dates were given.

The plan was issued last month by eight central government departments including the People's Bank of China, the central bank.

The pilot zones refer to the Hengqin New Area in Zhuhai and the Qianhai New Area in Shenzhen.

The central government aims to build Qianhai into a "pioneering zone" for its financial industry opening-up, with an array of steps taken by the government to increase the international use of the yuan.

The policies, approved by the State Council will cover six sectors — finance, taxation, legal system, talents, education and medical treatment, and telecommunications

A trial on the reform of the insurance sector, for example, will be expanded from the city of Shenzhen to the eight other cities in the PRD.

Financial institutions will also be encouraged to develop inter-market and inter-sector business.

Zhou added that private capital will be encouraged to enter the financial service field.

Guangdong's private capital market is currently estimated to be worth more than 1 trillion yuan (\$156 billion), more than 80 percent of which is used in the real economy, he said, adding it is underregulated but still under control.

Micro lending firms launched in Guangzhou late last month will be used to widen the loan access for small enterprises and lower their borrowing costs, he said.

He Xiaojun, deputy director of the Guangdong branch of the China Banking Regulatory Commission, said it will be encouraging private capital to join the banking sector to better serve the real economy.

He added that private capital now accounts for 29.3 percent stake of the commercial banks in Guangdong.

Zhou said also that qualified financial institutions and enterprises in Guangdong will be encouraged to go public and issue renminbi-denominated bonds and trust investment funds in Hong Kong.

Pilot moves will also be made in Dongguan for further financial cooperation with Taiwan, and with members of the Association of Southeast Asian Nations.

The financial services industry in Guangdong generated business worth 312.3 billion yuan last year, with total assets hitting 13.08 trillion yuan, Zhou said.

what's news



A third-generation jack-up offshore wind power installation ship in Nantong, Jiangsu province, on Tuesday. The ship, featuring a high level of automation, was designed and built by COSCO Shipyard Group Co Ltd for a Danish company.

YOU LIAN / FOR CHINA DAILY

Rare earth exports drop 40 percent in first half

Rampant smuggling and weak demand have led to a large decrease in the amount of rare earths exported from China through legal channels.

In the first half of the year, the amount of rare earths legally exported from China decreased 42.7 percent year-on-year, falling to 4,908 metric tons, according to statistics from customs officials.

If the trend continues, fewer than 10,000 tons of rare earths will be legally exported from China this year, far less than the 31,130 tons that can be exported under a quota set by the Ministry of Commerce.

Since 2007, China has strengthened both its rules governing the production of rare earths and its export regulations and has set quotas every year to limit exports of the materials. Companies without specific production permits have been prohibited from mining rare earths.

nies said they processed fewer export orders in the first half.

Medical care expenses to increase steadily

China's medical care expenses are likely to continue to increase at an annual rate of 20 percent in the coming years as private hospitals gain more business opportunities amid the country's medical reforms, officials said.

In 2011, China spent about 2.4 trillion yuan (\$375.5 billion) on medical care, an increase of 400 billion yuan from the previous year. And those expenses are likely to continue showing an annual rate of increase of 20 percent into the near future, according to Lei Haichao, deputy director of the Beijing Municipal Bureau of Health.

The rapid increase seen in residents' incomes in recent years is the biggest cause of China's quickly rising medical expenses, said Yao Hong, director-general of the Department of Medical Insurance of the Ministry of Human Resources and Social Security.

returns, Fang Fang, chief executive officer of China investment banking for New York-based JPMorgan, said in an interview in Beijing on Tuesday. The bank has been ranked third among managers of overseas share sales by mainland companies since the start of 2010.

"I'm hopeful that sometime in the second half, investors will come back to the table," he said. "Investors will eventually see the value and have to do something."

China's steel exports hit two-year high in June

China, the world's biggest steel producer, is exporting at the highest level in two years, exacerbating a global glut that may affect competitors from ArcelorMittal to US Steel Corp.

Monthly shipments abroad rose to 8.7 percent of domestic output last month, the highest proportion since July 2010. Chinese steel mills, set for a record production in 2012, are ramping up overseas sales to avoid a softer domestic market, where prices for the commodity have dropped to a two-year low.

Cypriot bank confirms talks with Chinese investors

Cyprus Popular Bank PCL, the island's second-largest lender, confirmed media reports that the bank's management has held talks with unnamed investors from China on possible participation in the bank's share capital.

The talks were held in the last two weeks of June, the Nicosia-based lender said in an Athens bourse filing on Wednesday.

Yuan touches 10-month low as eurozone worries grow

China's yuan fell to the lowest level since September as the central bank weakened the currency's reference rate for a third day amid concern economic growth will moderate further on the eurozone debt crisis.

The International Monetary Fund said China's slowing economy faces significant downside risks and repeated an assessment that the yuan is "moderately" undervalued.

The Dollar Index, which tracks the greenback against six major currencies, climbed for a fourth day after estimates by Markit Economics on Tuesday showed that eurozone services and manufacturing contracted for a sixth month. The People's Bank of China set the yuan's fixing at the weakest since Nov 30.

CHINA DAILY—AGENCIES

HK RELAXES YUAN RESTRICTIONS

Hong Kong will let nonresidents purchase an unlimited amount of yuan, as it seeks to defend its position as the global hub for international finance in the currency.

While conversion at the offshore rate will start on Aug 1, buyers will need permission to send the currency into the mainland, Hong Kong Monetary Authority Deputy Chief Executive Eddie Yue told a news conference on Wednesday. The 20,000 yuan (\$3,128) daily conversion quota on the city's permanent residents at the onshore rate will remain, and a maximum of 80,000 yuan can be sent into the mainland a day, he said.

Hong Kong's biggest banks have been calling for a relaxation of the restrictions on the city's yuan business as competition from London and Singapore intensifies. The halt in the yuan's appreciation against the US dollar this year has dampened appetite among residents for assets denominated in the Chinese currency, with the city's yuan deposits dropping 35 billion yuan in the first five months to 554 billion yuan.

"This will raise Hong Kong's edge in

the competition with other financial centers," said Ngan Kim-man, head of the renminbi business strategy and planning department of Hang Seng Bank Ltd.

Yuan conversion

The People's Bank of China has already ruled out the possibility of raising yuan conversion quotas for Hong Kong residents, according to Hu Xiaolian, the central bank's deputy governor on June 30. Allowing nonresidents to buy yuan is feasible "as long as it doesn't involve the onshore yuan", Hu said.

While Hong Kong was selected as the nation's major offshore yuan trading hub under the 12th Five-Year Plan (2011-15), its status is being challenged. UK Chancellor of the Exchequer George Osborne in January called on London to expand its yuan trading. The British capital had 109 billion yuan of customer and interbank deposits and that is "growing strongly", according to an April 18 report by research firm Bourse Consult.

BLOOMBERG

Surging grain imports could discourage farmers

China's grain imports grew substantially in the first half of the year and the country's reliance on overseas markets hit a new high, raising concern about food security and that farmers may reduce the area they plant.

Imports of all kinds of grain grew 41.2 percent to 40.85 million metric tons in the first half of the year, according to the General Administration of Customs.

Corn imports hit 2.4 million tons, a 65-fold increase over the same period last year. Other major grain imports also grew significantly. Wheat imports surged 295 percent and rice 227 percent.

A drop in the quality of some grain and higher prices for domestic grain fueled China's appetite for the imports, experts said. Domestic corn prices are among the highest in the world.

Guangdong companies hit hard in first six months

Many economic indexes decreased substantially in the first half of the year in Guangdong province, one of the country's economic powerhouses.

According to The Report on Guangdong's Economic Development in the First Half of 2012 and the Implementation of Social Development Plans, the amount of the province's exports to the European Union decreased 5.3 percent in the first six months of the year. That rate of decrease was 4 percentage points greater than in the first three months of the year.

Meanwhile, many import-and-export compa-

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Translating either Chinese or English, you will be working on a variety of letters, memos, reports and agreements as well as the annual corporate publicity plan. You must be experienced in translating contracts, legal documents and other agreements. Working closely with project management and functional managers, your experience working as an Interpreter in MNCs within China, would be an advantage.

We are looking for individuals with a University Degree in English and who have ten years relevant experience, preferably in the oil and gas industry.

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