

China announces continuation of measures to ease inflation

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China's National Development and Reform Commission (NDRC), the country's economic planner, said on Friday that the government would continue a series of measures to curb price rises in 2008.

Prices began to climb noticeably last year, with the monthly CPI figure hitting an 11-year-high of 6.9 percent in November, driving up the annual CPI level to 4.8 percent, well above the government's three-percent target. Correspondingly, public concern with inflation intensified.

"The country will give further support to the agricultural sector this year, increase the supply of agricultural products and give a full play to both the domestic and international market resources to stabilize prices," said the NDRC in a statement on its website.

The country was also making efforts to control fertilizer prices.

"The price of gasoline, natural gas, electricity, water, heating and urban public transport fees, scenic spot ticket charges, and school tuition will remain frozen in the near future," said the statement.

The NDRC announced on Jan. 16 temporary price control measures on a package of products, including grain, edible oil, meat, milk, eggs and liquefied petroleum gas, a tough step to tackle the inflation.

Meanwhile, it released the names of big Chinese enterprises and wholesalers required to apply for official approval for price rises. The recent clampdown on illegal pricing has helped to bring down liquefied gas retail prices by 19 percent in major Chinese cities.

Price caps have only been imposed only twice previously in the past 12 years: in 1996, when the CPI hit a record 8.3 percent and in 2003, during the SARS (severe acute respiratory syndrome) outbreak.

The NDRC called on its local branches to step up price checks and law enforcement actions against commodity hoarding, price rigging or other practices that disturbed the market order.

China's leaders made it clear at the annual central economic conference last month that preventing economic overheating and inflation was their highest economic priority in 2008.

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