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China to enhance foreign investments management, regulate forex inflow

China will further strengthen management of foreign investment projects and check foreign exchange inflow in a bid to better control it, according to the country's top economic regulator.

The move will also safeguard the country's economic safety, protect ecological environment, optimize develop and reform mechanism, and prevent industrial monopolization, said the National Development and Reform Commission (NDRC) in a circular on Friday.

Projects that are not approved by the government, provide fake application materials, or use foreign exchanges improperly, will be punished.

Local governments will also investigate and supervise foreign enterprise-involved programs, including joint ventures, exclusively foreign-owned firms, bilateral cooperation projects, mergers and acquisition programs.

Meanwhile, regional economic regulators should look at the projects, monitor foreign exchange inflow channels, and enhance finance management of foreign enterprises.

Projects with severe environment contamination, high energy consuming, high resources consuming need stricter inspection and supervision.

China's cumulative foreign exchange reserve stood at 1.809 trillion U.S. dollars by the end of June, up 35.73 percent year on year, while foreign direct investment (FDI) rose 45.6 percent to 52.4 billion U.S. dollars in the first half from a year earlier.

Source: Xinhua