

China to loosen grip on investment project approval

China will give enterprises a bigger say in deciding investment projects, Peng Sen, deputy director with the National Development and Reform Commission (NDRC) said Thursday.

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The NDRC will amend "interim measures for examining and approving enterprises' investment projects". It might also cut the number of enterprises which need government approval on investment projects by half, Peng said at a conference in Changsha.

No dates on when these changes would happen were provided.

He said the moves could give enterprises more power in deciding investment projects, as well as make them more

confident when making investments.

Peng noted that any reform should be conducive to stimulating domestic demand and the government should transform its functions to spur more market vibrancy.

He said private capital would have wider access to enter into more sectors. The government would create better opportunities for private capital to invest in monopolistic areas such as railways and telecommunications.

"To stimulate domestic demand relies on the confidence of enterprises and people, as well as private and social power," Peng said.

The "interim measures for examining and approving enterprises' investment projects" was adopted in October 2004. The NDRC was responsible for examining and approving most of the important domestic industrial projects and some overseas projects with large investment.

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