
China gives private eye for key state companies

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China's government has opened a new range of government-run industries to the private sector, either through investment in existing companies or establishment of new firms.

The government also announced yesterday that it would improve financing services and simplify administrative procedures for private sector involvement in those industries.

Water projects, power generation, mining, and logistics - currently mainly state-controlled - would be opened to the private sector, said a statement on the central government Website.

The statement also reiterated the opening of sectors announced at a State Council executive meeting in March, including education, welfare, transport infrastructure, telecommunications and energy, public utilities, scientific and technological programs for national defense, affordable housing construction and cultural industries.

Private investors could also participate in the establishment of financial institutions by investing in commercial financial institutions and establishing rural banks, credit companies, credit guarantee companies, and rural fund cooperatives.

Private companies were welcomed to participate in the reform of state firms through asset acquisitions or increasing their holdings in them, the statement said.

The government also restated its support for independent innovation in the private sector, encouraging the development of new products and investment in emerging industries, such as bio-medicine, new energy, environment protection and recycling.

Private companies were encouraged to boost overseas investment via international operations outside China, establishing multinational corporations and developing leading brands.

The government would improve financing services for private companies by strengthening the venture capital investment system.

The government would simplify administrative procedures by making them more efficient and cutting fees.

It promised to step up efforts to create a good environment for private investment by setting up a sound administrative service system and amending unfavorable laws and regulations in its March statement.

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