

《中国将加强金融监管协调、预防系统性金融风险》

China will strengthen the coordination of financial regulation, stabilize the property market and prevent systemic financial risks, according to a statement issued after a top leadership meeting on Monday.

"Financial disorder will be tackled thoroughly, financial coordination will be strengthened, and the efficiency and level of financial sectors supporting the real economy will be improved," said the statement released after a meeting of the Political Bureau of the Communist Party of China Central Committee, presided over by Xi Jinping, general secretary of the Central Committee.

"The property market will be stabilized, the continuity and stability of policies will be maintained, and the establishment of the long-term mechanism (in managing the property market) will be accelerated," the statement said. "(China) will hold fast to the bottom line that no systemic financial risks should occur," the meeting said, according to Xinhua News Agency.

"Policymakers have reiterated such stances recently. It shows that they will take more coordinated steps to fend off potential financial risks," said Gao Haihong, an economist of the Chinese Academy of Social Sciences, citing the establishment of a committee under the State Council, China's Cabinet, to oversee financial stability and development, a decision made at the National Financial Work Conference, which ended on July 15.

"Financial regulations used to be fragmented and often failed to catch up with financial market development. The Political Bureau meeting has urged it be strengthened, and I think it will become more coordinated and efficient," Gao said.

The real estate market is also a crucial factor that has an important bearing on the financial market and therefore should be dealt with properly, analysts said.

"Slumping property prices could trigger financial crisis, as Japan's experiences, the Asian financial crisis in the late 1990s and the global financial crisis that began 10 years ago have all proved," said Dai Yiyi, an economist at Xiamen University. As China's property prices in some major cities have been hovering at high levels, policymakers must be careful in addressing the market so that prices won't continue to rise, nor will they slump, he said. "That's why the Political Bureau meeting urged to 'stabilize' the property market."

So far, China has managed to keep the financial market largely stable, analysts said. "While it has strengthened overall financial regulation, signaled by the establishment of the financial stability committee under the State Council, China has, in particular, effectively controlled capital outflow and the yuan's exchange rate has stabilized," said Gao of CASS.

"While fully affirming economic performance, we must at the same time clearly recognize the many problems and contradictions in the economy," the meeting statement said.

China will "actively resolve the pileup of local government debt risks, and effectively regulate local governments' debt financing", said the statement.

China will also "make unremitting efforts to push forward supply-side structural reform, properly resolve major potential risks, and promote sustainable and healthy economic and social development", the statement said.

