

《中国2016年将致力于经济稳定发展》

China will continue on its stable economic policy-set in 2016. That's according to the central economic work conference that wrapped up Monday in Beijing. The annual meeting every December reviews the country 's economic performance over the past year, and maps out the strategy for the next. Although policy measures won't be finalized until early next year, the underlying strategic thinking for 2016 has been made clear.

Maintaining economic growth in a reasonable range. That's the word from top Chinese leaders, who outlined the country's growth blueprint for 2016.

"It not only has major significance for next year's work, but also for healthy and sustainable development in the future. This meeting also reflects our needs to adapt to the new normal phase of economic development," Yang Weimin, deputy director of Central Leading Group For Fin.&Econ. Affairs, said.

At the annual economic work conference, leaders set the tone for next year, such as shedding industrial overcapacity, destocking housing inventory, and cutting corporate costs.

This means the country would continue on its journey of structural reforms despite headwinds in investment and manufacturing, and leaders are trying to tackle the difficulties by more targeted measures.

One of these is supply-side reform, which aims to lift the production levels and use land, labor and capital more efficiently amid tepid demand. The new term has been mentioned by Chinese leaders multiple times since it was coined last month.

Excessive industrial capacity will be phased out, especially in industries with low technology and poor market prospects, giving way to innovation and higher level technology.

"Supply side reform means the acceleration of reforms. The essence is innovation. This includes new institutions, new technology, and common people's enthusiasm in entrepreneurship. The core issue of the supply side is technological advance, and you can't predict where it will happen. It is like nurturing the ground and letting the plant take root itself," Fmr. Bank of China chief economist Cao Yuanzheng said.

For individual sectors, real estate may see immediate changes. The government will help migrant workers to become citizens and drive the urbanization process. According to the national bureau of statistics, there were 441 million square meters of unsold residence housing by November, which could comfortably accommodate 10 million people. Analysts say the government should create conditions to lure more people into towns.

"The key is to introduce more industries; government should develop new growth points for lower tiered cities, combining those with agricultural production, population policies and transportation. In that way, industrial parks

and shopping districts could be created and that would attract more people to the lower tiered cities. The property market would be healthier as a result," Yan Yuejin, head of research of R&D Institute, said.

Other agendas include the financial sector, state-owned enterprises, and the one belt one road initiative. And although none of these are newly raised topics, analysts say a different economic environment next year will need fresh and more policies.

