

Measures on enhancing the supervision of construction industries in China

In order to regulate the development of the construction industries and remedy the problems during the implementation of the recent RMB4 trillion government stimulus package, the general office of the Central Committee of the Communist Party of China and the State Council jointly issued "Zhong Banfa" Document No. 27 on July 9th, 2009, which stated the harms and specific measures to settle the problems mentioned.

The main problems identified are as follows:

- Money-for-power deals and commercial bribery exist generally;
- Some officials in local governments abuse powers to operate approval and give priorities to individuals and entities illegally;
- Some intermediate agencies provide service by violating the corresponding laws and regulations;
- The funds for construction from the central government are embezzled for non-construction use;
- The quality of the some construction facilities can not satisfy the criteria.

The specific measures mandated are as follows:

- Local government should practice self-examination to eliminate the corruption and protect the normal market rules in the procedure of approval, land sales, tending and bid of construction projects;
- A more transparent construction project information system should be established to prevent officials from abusing their powers to acquire personal gain;
- The authorities should supervise the operation of the intermediate agencies more strictly and carefully;
- The superior government should inspect the use of stimulus fund and qualities of the facilities more strictly;
- More relating laws and regulations should be drafted and issued for the implementation of this project.

Meanwhile, foreign-invested design and construction companies are also required to have the up-to-date qualifications and licenses in line with their business scope in China. In other words, these kinds of foreign companies can not be immune from the supervision in the light of construction regulations.