

China eyes more rural infrastructure investment with PPPs

China will use public-private partnerships (PPP) to boost under-funded rural infrastructure and narrow the urban-rural gap, according to a State Council guideline.

A dynamic financing program that enlists multiple public and private entities will be established by 2020, said the guideline made public on Friday.

Under the program, government spending will be complemented by PPPs to maintain steady investment growth, while state-owned enterprises and other private market players will be encouraged to sponsor the projects.

China has launched many rural infrastructure projects over the last few years but the generally underdeveloped infrastructure in rural areas is holding back the goal to build a moderately prosperous society in an all-round way by 2020.

To improve water, road, electricity and communication facilities in rural areas, the government has promised some 3.4 trillion yuan (495.2 billion U.S. dollars) between 2016 and 2020, said Tang Renjian, deputy director of the central rural work leading group.

Only one third of this fund has been secured, however, meaning private investment and PPPs will need to step up, he said, in an earlier elaboration of China's first central policy document in 2017 on rural issues.

PPPs will stimulate investment as the country ensures moderate growth in fiscal support for agriculture and rural areas, Tang said.