

**Suggestions of the People's Government of Liaoning Province on Promoting the
Development of Non-State-Owned Economy**

December 22, 2006

The People's government s of all municipalities, all departments and commissions of the provincial government, and all institutes directly under the provincial government's jurisdiction:

In order to promote the development of non-public sectors of economy across the province, to bring into full play their important roles in the revitalization of old industrial bases in Liaoning Province, the building of a well-off society with balanced development, and the construction of a harmonious society, in accordance with A Few Suggestions from the State Council on Encouraging, Supporting, and Guiding the Development of Non-Public Sectors of Economy Such as Privately-Owned Business (State Council Document #[2005]3), we have put forward the following suggestions:

I. Relax Restriction of Market Access and Implement Equal Treatment

- (1) Carry out "Equal Market Access, Equitable Treatment" principle, and allow non-state-owned capital enter into all industries and sectors which foreign investment is permitted to enter into.....
- (2) Permit non-state-owned capital enter into monopolized industries and sectors.
- (3) Permit non-state-owned capital enter into financial service industry.....
- (4) Encourage non-state-owned capital to participate in restructure of SOE ("State owned enterprises").....
- (5) Relax restriction of investment form.....
- (6) Relax register restriction of enterprise group.....

(7) Carry out classification register management reform of individual business.....

II. Invigorate Financial Assistance to Encourage People in All Sections of Society to Set Up Business

(8) Establish special funds for the development of small and medium-sized businesses.....

(9) Provide assistance to technological innovation of non-state-owned businesses.....

(10) Establish the risk compensation funds for guarantor institutions for small and medium-sized businesses.....

(11) Reduce financing cost of loan guarantee.....

(12) Encourage non-state enterprises develop international market.....

(13) Large enterprises have obligation to support the development of small and medium-sized enterprises ("SEMs"), such as supporting deep and long industrial chain, supplying raw materials and products to SEMs preferentially and enhancing cooperation ability between SEMs and large enterprises.

(14) Relevant government departments issue relevant information of industrial policies, development plan, reform of SOE, key of the investment, market demand and economic operation, etc. to society regularly.....

(15) Support brand development strategy of enterprises.

(16) Encourage non-state-owned enterprises to adopt unemployed person.....

III. Ameliorate the Financial Service System and Broaden Financing Channels

(17) Encourage cooperation between banks and loan guarantee organization of government and society, establish platform of financing and guarantee and promote the development of credit guarantee business for the loans of non-state-owned enterprises.....

(18) Introduce international and domestic credit investigation intermediary organ, and

implement model and mechanism "credit investigation +credit".

(19) Credit departments for small and medium-sized businesses should be established in banks to draw up loan policies and annual credit programs especially oriented towards non-state-owned business, and attempts should be made to effect a gradual, annual increase of credit volume.

(20) Encourage, support, guide and supervise private capital to establish normalization small and medium size financial institution, encourage non-state-owned capital to establish venture capital firm of SEMs and permit private capital to establish financial leasing companies.

(21) Complete credit guaranty system of SEMs.

(22) Deepen reform of financial system.

(23) Support stronger non-state-owned enterprises financing from international capital market through forms of oversea listing and foreign investment, etc.

(24) Promote the development of credit community, and improve regional financial environment.

IV. Accelerate the Development of Social Service System and Enhance Service Level

(25) Build non-state-owned enterprises service system.

(26) Promote development of credit status system.

(27) Develop counseling base of starting a business, which shall supply specific service of starting a business, information consultant, market development, technology support, import and export agent, business, public utilities, personnel and financing guarantee, etc. for the non-state-owned enterprises that established by persons studying abroad returned and university graduate through technology investment.

(28) Guide SEMs to develop technology innovation, and enhance market competitiveness.

(29) Bring operators and staff of non-state-owned enterprises into talent training overall planning.....

(30) Ensure land use of non-state-owned enterprises, and protect their legal land right.....

(31) Carry out government procurement task of SMEs.....

(32) Create conditions to cultivate and introduce talents.....

V. Strengthen administrate enforcement, and protect legal right of non-state enterprises and staff

(33) Establish and improve legal system to protect legal right of non-state capital investment and non-state enterprises, and protect non-state capital investment project and property right, intellectual property, power of operation and other legal rights of investors in accordance with laws.

(34) Establish the complaint center in the province, municipality and county to protect non-state economy legal rights, and accept cases, correct and dispose illegal activities, analyse policy and general issues complained by enterprises and provide improvement advice, and ensure to protect legal rights of non-state enterprises.

(35) Governments at all levels and non-state enterprises authorities shall establish and perfect charge burden supervision of non-state enterprise, and reduce charge burden of non-state enterprises actually.....

(36) Develop train of WTO knowledge and international general rules, and support enterprises use measures of anti-dumping, countervailing measures and safeguard to protect safety of the industries.

(37) Accelerate establishment of labor union of the non-state enterprises, and play a role of labor union.....

(38) Establish supervision mechanism, office for rectifying of provincial government shall organize enterprises discuss government functional department every year, and

publish the discuss result to the society.....

VI. Strengthen lead and supervision of non-state economy

(39) Government at every level shall put non-state economy development at important position, strengthen lead, straighten out management mechanism of non-state economy, and establish cooperation mechanism and joint conference between departments system, and strengthen communication and cooperation between departments.

(40) Regulate supervision and management of government for non-state enterprises.....

(41) Strengthen statistical work of non-state economy.....

(42) Government at every level shall carry out the spirit of the suggestion, make supporting policy combining local facts to dispose new problems in the development of non-state economy, and promote sustained and sound development of non-state economy.