

NDRC Intensively Approved Infrastructure Projects

China's economic growth increased 7.3% in 3Q2014, down 0.2% compared to the 2Q2014. Under the pressure of economic downturn, The National Development and Reform Commission ("NDRC") seem to propose the acceleration of steady growth and intensively approved 21 infrastructure projects from 16 October to 5 November, including 16 railways and 5 airports, with a total investment of RMB693 billion.

These projects include 16 railways, such as Shangqiu to Hefei and Zhengzhou, Zhengzhou to Wanzhou, Golmud to Korla, Inner Mongolia - Jiangxi Coal Transportation Railway and Datong to Zhangjiakou, etc. as well as 5 civil airports, i.e. Guizhou Renhuai, Yunnan Lancang, Inner Mongolia Zhalandun, Qinghai Guoluo and Jilin Songyuan Chagan Lake.

Analysts have pointed out that the move was intended to invest in the hedge in areas like real estate atrophy, highlighting the steady growth intentions. With no overcapacity issue in railway infrastructure field currently, the related industrial chain development can also be driven. It's expected that the acceleration of infrastructure investments will have a stimulating effect on the economy in a 4-6 months time. Also, the economy may be effected by the current round of changes in demand side in the end of 1Q2015.

(Source: Digital Cement)