

# China considers expanding cross-border finance access

BEIJING China is mulling raising the foreign debt ceiling for high-technology enterprises while expanding the reach of policies that facilitate corporate foreign exchange management, as part of the country's all-round efforts to enhance financial support for private enterprises, said the State Administration of Foreign Exchange.

Executives and experts said the moves will support private, tech-oriented enterprises to obtain more overseas financing and help private sector exporters save on costs and enhance efficiency, thus sharpening their international competitiveness while offsetting US investment and trade barriers.

"We will increase the quota for nationwide eligible high and new-tech firms, 'little giant' companies and tech-oriented small and medium-sized enterprises to autonomously borrow external debt at an appropriate time," a SAFE official said in an exclusive interview with China Daily.

High and new-tech enterprises are government-recognised companies that engage in high-tech innovation and research and development. "Little giant" companies refer to specialised and sophisticated SMEs that produce novel and unique goods and services.

This would be part of the country's efforts to deepen the reform of foreign exchange management to extend support for the private sector, including efforts related to cross-border investment and financing, foreign exchange rate risk management and foreign exchange policies to facilitate international trade.

"We will optimise and expand facilitation policies, tilting toward private entities with genuine need and good compliance, to better support the stability of foreign trade," the administration said.

Noting that private sector enterprises are playing an increasingly important role in foreign trade — not only

in the growth of trade but also in terms of economic restructuring and innovative development — the administration said it is committed to providing strong financial support for the healthy development of the private economy and helping private enterprises "grow stronger and better".

"A series of measures will be gradually introduced, including optimising and upgrading the cross-border cash pool policy for multinationals, simplifying the foreign exchange management of direct investment, expanding the facilitation quota for cross-border financing of innovative and tech enterprises, and optimising the policy of facilitating foreign exchange receipts and payments under the capital account," SAFE said.

The external borrowing quotas for eligible enterprises selected based on the "innovation credit system" will be raised, the administration said. CHINA DAILY/ANN



The headquarters of the Bank of Korea in Seoul. XINHUA/VNA Photo

## BOK warns of market volatility amid uncertainty, rising household debts

SEOUL The South Korean central bank warned yesterday of the possibility of increased volatility in the financial market and its potential impact on the country's financial stability amid weak economic growth and high uncertainties at home and abroad.

The Bank of Korea (BOK) made this point in its latest financial stability report, where it also called for close monitoring of real estate market risks and household borrowing, given the recent rise in housing prices in Seoul and the surrounding region.

"The South Korean financial system has generally stabilised, supported by the resilience of financial institutions and external payment capabilities. Amid high uncertainties and low economic growth, however, there is a chance that the volatility of financial market price variables could increase in the event of domestic or external shocks," the BOK said in the report.

The BOK forecasts South Korea's economy to expand by 1.5 per cent in 2025, slowing from last year's 2 per cent growth, mainly due to declining exports and weak domestic demand.

"Downward pressure on economic growth has increased due to domestic political conditions and changes in the economic policies of

Lower interest rates could affect household debts. We are closely monitoring the market and will implement countermeasures, when necessary."

Lee Jong-ryeol, a BOK deputy governor

major countries, which could delay the improvement of the financial soundness of borrowers and financial institutions," it added.

The BOK pointed to recent instability in the real estate market and its potential impact on household debts as major risk factors.

Outstanding property-related debts stood at 2,681.6 trillion won (US\$1.83 trillion) as of end-2024, up 4.8 per cent from a year earlier, matching 105.2 per cent of the country's nominal gross domestic product (GDP).

As of the end of February, banks' outstanding household loans rose 3.3 trillion won from the previous month, reaching 1,143.7 trillion won, according to BOK data.

"Lower interest rates could affect household debts. We are closely monitoring the market and will implement countermeasures, when necessary," Lee Jong-ryeol, a BOK deputy governor, said at a press briefing.

In February, housing prices in Seoul logged the steepest growth in three months after the Seoul city government lifted part of the land transaction permission system

in some areas of Seoul's Gangnam, Seocho and Songpa.

In response to the surge in home prices, the government reinstated the regulatory system last week.

The central bank also pointed out that growing insolvency among vulnerable groups could affect the financial health.

The number of high-risk households, in terms of their debt repayment capabilities, stood at 386,000 as of the end of March 2024, or 3.2 per cent of the country's total households.

The number of households that lack debt repayment capabilities, either in terms of income or assets, totaled 3.56 million, which represented 29.7 per cent of all households with financial debts.

"We would see a larger number of such households, particularly in nonmetropolitan regions, given rising unsold properties and the sluggish construction sector," the BOK said.

The real estate market in provincial areas remains subdued in contrast to the situation in the greater Seoul region. YONHAP

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### INVITATION FOR SUBMISSION OF BIDS

PMU My Thuan would like to invite the submission of bids as follows:

- Project:** My An - Cao Lanh Expressway Construction Project Phase 1  
- Location: Dong Thap province, Vietnam.  
- Scope of the Project: Approximately 26.6 km, design speed: 100 km/h, 4 lanes; 18 bridges and 2 interchanges.  
- Funding: EDCRF Loan Agreement VNM-65 of the Government of the Republic of Korea and counterpart funding from the Government of Vietnam.
- The project consists of one civil works package:** Package 07: Construction of My An - Cao Lanh Expressway.  
- Cost estimate (including VAT and contingency): VND 4,550.23 billion (approximately USD 176.19 million or KRW 249.60 billion).  
- Construction schedule: No more than 36 months, in which:  
(i) Section Km22+820-Km26+560: No more than 24 months;  
(ii) Remaining section: No more than 36 months.
- Bid solicitor:** PMU My Thuan under the Ministry of Construction.
- Procurement method:** Competitive bidding among eligible bidders in accordance with the provisions of the "Guideline for Procurement under EDCRF Loan" (single-stage, one-envelope system without a prequalification process).
- Eligibility of the bidder(s):**  
(1) Nationals of the Republic of Korea (including juridical persons incorporated in the Republic of Korea in accordance with its laws; hereinafter the same shall apply)  
(2) Foreign corporations in which nationals of the Republic of Korea hold more than 50% of shares as well as foreign subsidiaries of a foreign corporation of which nationals of the Republic of Korea reserve the management rights and are vested with the business performances  
(3) Consortiums built by nationals of the Republic of Korea with the corporations set up in accordance with the laws and regulations of the Socialist Republic of Vietnam in which nationals of the Republic of Korea hold more than 50% of shares or have the de facto decision-making rights.
- Issuance period:** From 2:00 PM (Hanoi time), 31st March 2025, to no later than 9:00 AM (Hanoi time), 15th May 2025 (during working hours).
- A complete set of bidding documents may be purchased upon payment of a non-refundable fee of 5,000,000 VND (In words: Five million Vietnamese dong). Payment may be made either by cash or by electronic bank transfer to the following account:  
- Account Number: 1359856789  
- Referred Bank: Bank for Investment and Development of Vietnam (BIDV), Gia Dinh Branch  
- Beneficiary/Depositor: Project Management Unit My Thuan
- Location for issuance of bidding documents:**  
- Bidding documents may be issued by one of the following methods:  
(1) Direct method: PMU My Thuan  
Address: 1041/80 Tran Xuan Soan Street, Tan Hung Ward, District 7, Ho Chi Minh City, Vietnam  
Tel: (84)-28-3841-0088; Fax: (84)-28-3841-1872  
Email: pmumythuan@moc.gov.vn  
(2) Via email: In the event the bid solicitor receives a bidder's request.  
- The bid solicitor will issue the bidding documents to bidders who satisfy the eligibility conditions and have paid the non-refundable fee as described in item 7 above.
- Bidders must submit or send the bid documents by post to PMU My Thuan's address, ensuring receipt before 9:00 AM (Hanoi time), 15th May 2025, during working hours.
- Public opening of bids:** The bids will be opened publicly at 9:00 AM (Hanoi time), 15th May 2025, at PMU My Thuan's address.



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