China mine workers detained after wages protest

BEIJING: Chinese authorities have detained miners who mounted a large demonstration against unpaid wages, residents said yesterday, as officials struggle to control labour protests fuelled by slowing economic growth.

Police have held more than 30 of the several thousand miners who marched through the northeastern city of Shuangyashan while on strike last weekend, a former mine company worker surnamed Gao told AFP. China has vowed to cut some two million jobs in its coal and steel industries, which suffer from massive overcapacity. Slowing economic growth has also led to more strikes in construction and manufacturing.

The ruling Communist party tends to clamp down on all forms of public protest and organized strikes, which it sees as a challenge to its rule. The demonstration which began on Saturday saw large crowds fill the streets, striking miners hold large banners demanding back pay, and police clashing with protesters.

Shuangyashan, like many other cities in the province of Heilongjiang, is heavily dependent on the coal industry. Gao said that police detained about 30 people at the weekend, with an unspecified number of further detentions occurring this week. A Shuangyashan mine worker surnamed Chen told AFP on Friday that his colleagues were still owed more than 60 percent of wages due between 2014 and 2015.

Workers who organized a strike had been detained, he said, adding: "The miners don't dare protest any more". Both refused to give their full names for fear of reprisals.

"I will soon be detained myself," Chen said in a telephone call, to the sound of shouting in the background. Police in Shuangyashan did not answer calls seeking comment from AFP.

Authorities in other parts of China have also reportedly clamped down. The city of Langzhong in Sichuan province, in the southwest, held a "public sentencing" for construction workers found guilty of "endangering public officials" during protests over unpaid wages, the state-run Beijing News reported.

Chinese policemen line a street of the prefectural seat of Shuangyashan after several days of protest by miners over late wages in northeastern China's Heilongjiang province. Frustration among miners over unpaid wages has swelled to the brink of unrest in the province in China's far northeast. — AP

Eight workers were sentenced to between six and eight months in jail at the ceremony on Wednesday, with pictures showing the suspects paraded on a state in front of a crowd, chaperoned by uniformed police and at least one gun-toting guard. — AFP

China home prices rise most in nearly 2 years

Mega cities post double-digit gains, smaller cities fall

BEIJING: China's home prices rose at their fastest clip in almost two years in February thanks to red-hot demand in big cities, but risks of overheating in some places combined with weak growth in smaller cities threaten to put more stress on an already slowing economy. Average new home prices in 70 major cities climbed 3.6 percent in February from a year ago, quickening from January's 2.5 percent rise, according to Reuters calculations based on data released by the National Statistics Bureau (NBS) on Friday.

That was the quickest year-on-year increase since June 2014, and encouragingly, 32 of 70 major cities tracked by the NBS saw annual price gains, up from 25 in January. Ordinarily, that should be welcome news for policymakers who have rolled out a raft of stimulus measures to support an economy growing at its slowest pace in a quarter of a century.

But the divergence in home prices - surging values in bigger cities and depressed markets in smaller cities plagued by a supply glut - makes Beijing's job harder as it looks to reanimate growth without inflating asset bubbles. "The government's all-out encouragement of housing sales seems to be working, but at the cost of surging prices in big cities," said Rosealea Yao, an economist at Gavekal Dragonomics in Beijing.

"These surges in big cities are not sustainable and would increase uncertainties and instability in the overall housing market." The data showed tier 1 cities, including Shenzhen, Shanghai and Beijing, remained the top performers, with prices surging 56.9 percent, 20.6 percent and 12.9 percent respectively.

SHANGHAI: A woman pedals through a street near a new real estate development in Shanghai.

SMALLER CITIES, BIGGER HEADACHES

"Prices in first-tier cities are very expensive now, it's hard for new families to afford a home," said Tan Huajie, vice president China's biggest property firm Vanke. The trouble is that speculators and ordinary investors, who have been shaken by the summer crash in mainland stock markets, are increasingly ploughing their money into the housing market - most of it going to the frothy sector in big centres.

A slowing economy has also meant most jobs are in the biggest cities, drawing more people into these places and feeding the insatiable demand for homes. A breakdown of NBS data showed that a slew of government measures and increased lending has failed to arrest persistent softness in property markets in smaller cities where a glut of unsold houses have weighed on prices. Most third-tier cities still saw on-year prices drops in February, though the declines eased from the previous month.

POLICY CHALLENGE

With the broader economy decelerating amid weak exports, factory overcapacity, slowing investment and high debt levels, authorities are hoping the property market will help stabilize growth. But signs that some places may be overheating even as prices remain depressed in smaller cities complicate matters for policymakers. While fears of a hardlanding for China's economy have abated in recent weeks, Beijing cannot afford a housing market crash in the big cities given the real estate industry and related investment activities account for 15 percent of gross domestic product. Underscoring the importance of the sector to the $10 trillion economy, Friday's home data helped fuel strong gains in steel and iron ore futures in Shanghai. — Reuters

China fixes yuan at 3-month high as dollar sinks

SHANGHAI: China's central bank fixed its currency exchange rate at a three-month high against the US dollar yesterday as the greenback sank. The People's Bank of China (PBoC) set the yuan at 6.4628 to $1.0, up 0.51 percent from the fix on Thursday, according to the China Foreign Exchange Trade System.

It marked the strongest level for the central rate since December, as well as its biggest positive move since November. Authorities only allow the yuan to rise or fall two percent on either side of the daily fix, to prevent volatility and maintain control over the currency.

In trading on Friday, the onshore yuan was quoted at 6.4727 to $1.0 at 4:30 pm (0830 GMT), up 0.31 percent from the previous day's close. The US dollar has sunk since the Federal Reserve surprised markets by reducing its projections for interest rate increases this year, citing the slower global economy and market turmoil.

"The market is now expecting the Fed to raise borrowing costs fewer times this year, which eases capital outflow pressures from emerging markets and supports Asian currencies, including the yuan," Kenix Lai, a foreign-exchange analyst at Bank of East Asia in Hong Kong, told Bloomberg News.

"But the PBoC won't likely allow significant appreciation of the yuan because a currency that's too strong will hurt China's exports and economic fundamentals." China's State Administration of Foreign Exchange on Wednesday said: "The pressure from cross-border capital outflows has slowed down significantly" and forecast they would remain stable. The Chinese government has spent huge sums to support the currency and stem capital flight since rattling investors with a surprise devaluation in August, when it guided the normally stable unit down nearly five percent in a week. — AFP