
China's central bank to curb price rise

BEIJING, June 14 -- The People's Bank of China vowed on Friday that it would take "forceful" measures to curb excessive price rises and enhance monitoring of cross-border capital flows.

It will also try to improve the assets market and try to prevent drastic fluctuation of assets prices, the central bank said in the annual financial stability report reviewing last year's financial and economic developments.

The stock market has dived in the past week. On Friday it closed at a 15-month low. The top leaders, including President Hu Jintao and Premier Wen Jiabao, said in a meeting on the same day that the country will promote the healthy development of the capital markets and prevent inflation from worsening, according to State radio report.

Growth of China's consumer price index dropped to 7.7 percent year-on-year in May, down from 8.5 percent in April. But economists are still worried that multiple factors, such as ample liquidity, may push up prices again in the coming months. In May, the country's money supply growth accelerated to 18.07 percent year-on-year from 16.94 percent in April.

In a summary of the report, the central bank pledged to keep a close watch on international financial markets and ward off any risk spread from other countries.

The report was prepared more than two months ago and was not a comment on the country's most recent economic performance, Reuters said, citing a bank official. But the recent financial woes in Vietnam have aroused domestic concerns.

(Source: China Daily)