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## Top economic planner calls for check on inflation

The country's top economic planner will tighten control over prices to prevent the inflation rate from rising further.

Two days after increasing fuel and electricity prices, the National Development and Reform Commission (NDRC) said regulators have to monitor prices more tightly and prevent the prices of industrial products from rising.



Shopkeepers selling sweets wait for customers at a market in Beijing May 9, 2008. The country's top economic planner will tighten control over prices to prevent the inflation rate from rising further. [Xinhua]

Manufacturers have to cut production costs, instead of raising the prices of their products, the NDRC said, and suggested that local governments cut the administrative fees paid by them.

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The retail prices of gasoline and diesel were raised by 0.8 yuan and 0.92 yuan per liter on Thursday. Aviation fuel became costlier by 1,500 yuan a ton, with electricity tariff for commercial establishments going up by 0.025 yuan per kWh from July 1.

The price rises, however, will not have any effect on public transport and taxi fares or household electricity charges.

Government departments have to stick to the price adjustment policies, the NDRC said, and warned people who push up prices illegally of severe punishment.

Many economists are worried that the price rises could further push up the inflation rate, which showed signs of easing last month.

The consumer price index (CPI), the main gauge to measure inflation, eased to 7.7 percent in May, thanks to falling food prices. The figure was 8.5 percent in April, up from 8.3 in March.

Before the oil prices and electricity tariff were raised, market analysts had expected the CPI to continue its fall in June and July.

It is likely to remain stable, Xu Kunlin, deputy head of NDRC's pricing department, said. This is because the prices of goods related directly to people's lives remain unchanged.

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