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CHINA TO SET UP SPECIAL FUND FOR RENEWABLE ENERGY

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China's Ministry of Finance (MOF) and State Development and Reform Commission (SDRC) are in talks to establish a special fund for the development of renewable energy, the China Securities Journal reported on Tuesday.

Citing anonymous sources with China's Wind Power Association, the Beijing-based newspaper said the fund would speed up the development of renewable energy resources, although the size of the fund was unavailable.

It said local governments hoping to benefit from the fund must apply to the MOF. Once their applications were approved by the ministry and the SDRC, the fund and provincial-level governments would have to contribute money as required.

Vice Minister of Finance Zhu Zhigang was quoted as saying that China would "greatly support" research into and development of biological, solar and wind energy.

The government had already implemented a series of preferential tax policies for companies involved in the renewable energy industry, including halving the standard rate of value-added tax, said the newspaper.

In Inner Mongolia and Xinjiang Uygur autonomous regions, some local governments even offer value-added tax exemptions to renewable energy firms.

Sichuan and Yunnan provincial governments and Chongqing Municipality, which have pioneered the development of biological energy, are considering long-term development plans to make full use of the fund, said the newspaper.