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In China A Move to Help With Debt Pile

SHANGHAI—China took a significant step Wednesday to deal with an explosion of borrowing among local governments by allowing more of them to issue short-term debt to help pay off maturing bonds and loans, according to a person with direct knowledge of the matter.

Economists estimate local governments may have borrowed as much as \$5 trillion in recent years to fund projects and keep the economy humming as Beijing scaled back the stimulus efforts it had undertaken following the global financial crisis. Concerns are rising that the buildup of debt has been too rapid and that local governments will be unable to pay the money back.

Beijing has warned, too, about the potential risks, and is trying to understand and contain any potential problem.

Wednesday's move comes just weeks before a widely anticipated national audit of local-government debt designed to uncover just how much banks and investors have lent to local governments. China's

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Britain's Prince George Is Christened in London



Kate, Duchess of Cambridge, carried her son, Prince George, at St James's Palace on Wednesday. The 3-month-old future monarch, third in line for the throne, was christened by the Archbishop of Canterbury with water from the River Jordan at a rare four-generation gathering.

Xi Thanks CEOs for 'Inspiration'

By LAURIE BURKITT

BEIJING—China has spent the past year telling foreign companies to clean up their acts. Names ranging from Apple Inc. to Starbucks Corp. to Volkswagen AG have come under intense scrutiny from government-controlled media for the way they treat Chinese customers.

So executives at some of the world's biggest multinational companies could perhaps be forgiven if they felt a sense of whiplash on Wednesday, when the country's top Communist Party official publicly sought their advice.

"Many of you are renowned entrepreneurs and business leaders in the world today and you all have profound insight on the global economy, so that is why we attach great importance to the suggestions you offer," Chinese President Xi Jinping told a group of nearly two dozen top foreign executives

Beijing entertains its most exalted guests. "Your suggestions are a very important source of inspiration for the Chinese government."

It wasn't clear whether the group had a chance to discuss business issues in the world's No. 2 economy—reporters were ushered out of Beijing's Diaoyutai State Guesthouse after Mr. Xi's remarks. But the remarks made in public were supportive. "You have all made positive contributions to China's education of economic management," he said. "I highly appreciate what you have done."

Mr. Xi spoke before a meeting of the advisory board of the State Economic and Management Commission, which includes executives from around the world intended to be a sounding board for business issues in China. Attendees from consumer-brand names included Coca-Cola Co. Chairman and Chief Executive Muhtar Kent,

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Foreign Firms Get Scrutiny, Praise

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Mr. Xi has a different take on himself from his predecessor. He distinguished himself by making himself more accessible and talking more directly to businesses. In April, at the annual Boao Forum for Asia in southern China, he met privately with executives of dozens of companies such as Samsung and Swedish truck maker Volvo AB. Mr. Xi pledged to provide a level playing field for all market players. He didn't provide specifics.

founder Stephen Schwarzman, Carlyle Group Managing Director David Rubenstein, AIA, CEO Chairman and

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Mr. Xi's more open attitude is a welcome change from the time when a number of foreign companies have been in trouble. A wide scope by Chinese state-run media of allegations ranging from bribery to overcharging consumers. The most significant is an investigation by Chinese officials into whether China-based employees of drug maker GlaxoSmithKline bribed doctors and officials in order to boost sales.

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Glaxo has said some of its employees may have violated both company policy and Chinese law and that it is cooperating. Andrew Witty, Glaxo's chief executive, said he attended the Peking meeting last year. Industry watchers say that the company is cooperating.

Carlyle's David Rubenstein, left, was among the attendees who met Xi Jinping.

controlled television broadcaster criticized Starbucks, saying its profit margins in China are excessive. Central Television, Samsung's parent, said it would sue Samsung Electronics Co. for allegedly showing consumers for reasons

On Wednesday, the executives lined up to greet Mr. Xi as they entered the meeting room. He welcomed them with a smile and a quick thanks for coming, while an interpreter named the person and translated the message.

many some companies following a media. Volkswagen would recall its sales after problems with some of its