

China Amps Up an Old Dream of Green Belts



Can China's latest orders help fight the country's urban sprawl? -Reuters

China is ordering its big cities to deliver on a years-old policy goal to stop their sprawl. Instead of ever-expanding highways and high-rises, China's biggest cities would be ringed by green belts, permanently zoned as farmland and off-limits to developers.

Two government ministries this week called on Beijing, Shanghai, Nanjing and 11 other major Chinese cities to carry out orders to collectively set aside an area one-and-a-half times the size of Texas as "permanent farmland." These areas of high-quality arable land are to be on the outskirts of the cities.

"Once the land is designated, nobody can occupy it," Land and Resources Minister Jiang Daming [told](#) a televised news conference.

The push is not new. As early as 2011, driven by a goal to boost China's grain production, the ministry had called for around 104 million hectares to be designated as permanent farmland, part of a target in the national development blueprint to conserve a minimum of 120 million hectares as arable land nationwide. It said China lost 8.2 million hectares of farmland to developers between 1997 and 2009 – an erosion that has slowed but still remains even after the government set up its 120-million-hectare "red line."

More recent official figures aren't available yet, but the World Bank [estimates](#) that China's arable land per person has remained steady at 0.08 hectares per person in the 2010-2012

period. That suggests the government may have largely had better success at holding the line in recent years. However, China's measure is still far below the 0.5 hectares per head in the U.S., 0.8 hectares in Russia and 0.1 in Britain.

Powerful vested interests in development, which include local governments tied to land sale revenues, will likely try to undermine these plans, analysts say. There may also be problems on where to house armies of migrant workers, as they tend to live in the rural outskirts of the large cities they service.

“Every year, they emphasize this permanent-farmland goal, so I don't feel that this is a big change, but for the big cities, the implementation is likely to become stricter,” said Tang Li, a property analyst for investment bank North Square Blue Oak.

This week's announcement follows up on a government [notice](#) in November that set a goal for the 14 cities – China's top- and large second-tier hubs – to complete their zoning by the end of 2016, and for the policy to eventually cover 106 major municipalities. Analysts say singling out the cities may amp up pressure on their officials to act.

If the policy comes to pass, cities could also become more dense as they're forced to develop intensively rather than expanding by encroaching on surrounding farmland. Mr. Tang said China's beleaguered real-estate [sector](#) might eventually benefit from the changes, as it tries to head off the oversupply that's been partly responsible for swamping prices.

In renewing the push for greenbelts, government planners might be trying to take advantage of a languishing property market, when pushback from developers might be weaker. The amount of the land developers bought in the first 11 months this year is down 14% from a year ago, though it's still slightly higher than the volume purchased in the same period in 2009, according to data from the National Statistics Bureau.

–Chuin-Wei Yap

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