Golf courses proliferate in China, defying gov't ban

BEIJING, May 22 (Xinhua) -- Spurred by China's rapid economic growth and soaring living standards, golf is now enjoying an explosion in popularity in the world's second-largest economy with a number of golf courses being built in recent years, despite the country's ban on golf course construction due to land use concerns.

China had 490 18-hole golf courses by the end of last year, with 97 courses in Guangdong, 70 in Beijing and 51 in Shandong, according to a report issued by the Forward Management Group, the organizer of the Forward Chinese Amateur Tour, the country's oldest and largest amateur golf tour.

"The report is for reference only. I believe the actual number is more than 500, as new courses pop up every month," said Chen Jianliang, an industry expert.

According to data from the golf education and research center at Beijing Forestry University, the number of golf courses in China more than tripled from 170 in 2004 to over 570 in 2009.

Despite the increasing number of golf courses, only 10 were approved by the government and given business licenses, which implies that most of China's golf courses were illegally built.

The Ministry of Land and Resources (MLR) imposed a ban on golf course construction in 2004 in order to protect China's dwindling farmland and conserve water. The ban also required that any new golf course projects that plan to use more than 1,000 mu (66.67 hectares) of farmland must be approved by the State Council, or China's cabinet, before construction.

Li Jianqin, director of the law enforcement and supervision department of the MLR, had said that the government's approval of golf course construction projects in Hainan Province, a region that the government wishes to turn into a major tourist destination, does not indicate that other provinces can ignore the ban.

However, the government has failed to head off the construction of new golf courses in other regions, as many developers have found ways to skirt the government's requirements, according to experts.

Feng Ke, director of the real estate finance research center at Peking University, said most golf course developments are built using the names of country clubs, greenbelts and parks. They do not include the word "golf" in their names or anywhere on their planning documents.

Some developers illegally rent rural land for the construction of golf courses as a way to evade approval procedures. Chinese media have recently exposed a handful of these cases.

The Yuantong Financial Investment Co. illegally rented arable land from farmers to build a 54-hole golf course near the famed Stone Forest karst field in southwest China's Yunnan Province,
China Central Television (CCTV) reported last week. Two officials were suspended from their posts after the story broke.

About 119 mu of forest land and 271 mu of paddy fields were rented by a local developer for 50 years to build a luxury golf practice course in the city of Zhanjiang in south China's Guangdong Province. Farmers there receive just 160 yuan (24.62 U.S. dollars) in compensation for every mu of forest and 280 yuan for every mu of paddy fields.

Industry insiders said local governments have turned a blind eye to such irregularities, or are even involved in the illegal developments themselves.

Building more golf courses in remote rural areas will likely push up local property prices and land prices. These numbers are important for fiscally-stretched local governments, as land sales are a vital source of revenue for them.

Feng said action must be taken to curb the use of land for golf developments and other illegal purposes. This action could include imposing large penalties on violators, Feng said.

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