

## 《Market Flash》

### China: More Proactive Fiscal Policy To Boost Growth

- Following the State Council meeting chaired by Premier Li Keqiang on Monday (23 July), China unveiled a package of measures to boost growth as it stepped up its fiscal policy as growth uncertainties increase. The meeting also pledged to improve the transmission of monetary policy which is seen in line with the [PBoC's moves to ease domestic credit conditions](#) though the official “prudent and neutral” monetary policy stance remains unchanged. That said, the authorities are expected to balance the increasing growth risks with its deleveraging efforts.
- While calling for a more proactive fiscal policy to maintain macroeconomic stability, China said that there will not be a major fiscal stimulus. The coordinated measures are clearly targeted at softening the potential impact from the trade disputes with the U.S. while increasing support for building domestic capabilities.
- The focus of the fiscal measures include tax cuts for R&D spending, and ensuring adequate funding for local governments as well as infrastructure projects that are deemed important. Again, the statement reiterated that “zombie enterprises” will not be supported.

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