

Economics

PBOC to Step Up Support for Economy, Shifts Focus to Consumption



The People's Bank of China in Beijing. *Photographer: Andrea Verdelli/Bloomberg*

By Bloomberg News

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China's central bank said the country's banks have to do more to foster the real economy in its latest effort to reignite the country's flagging consumption.

The People's Bank of China plans to shift the financial sector's focus to benefiting people's livelihoods and boosting consumption over the coming months, the bank said in a statement on its website Friday following a planning conference for the second half of the year. The language regarding people's livelihoods and consumption echoes a call by the Politburo, the 24-member decision-making body led by President Xi Jinping, earlier this week.

The bank also vowed to use multiple policy tools to keep liquidity reasonable and ample while also keeping its social financing and money supply targets in balance with expectations for economic growth and inflation.

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Moreover, the bank said it would continue to implement a prudent monetary policy in the second half of the year and to keep the yuan “basically stable” at a “reasonable equilibrium level”. It also plans to continue to prevent and resolve financial risks in key areas such as the real estate sector. Other targets include supporting “high-quality firms” in issuing panda bonds and encouraging financial institutions to carry out cross-border yuan financing business.

– *With assistance from John Liu, Sarah Chen, and Yujing Liu*

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