
Stimulus plans - China to carry on

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Reuters cited Mr Xi Jinping Chinese Vice President as saying that China will carry on with its fiscal stimulus and loose monetary policy as the country's economic recovery is not yet on a solid footing.

He said that a return to growth across the world would be slow and gradual. He vowed to stick to an agreement on overhauling the world's economy reached at a recent summit of the G20 countries. He added that the overall economic situation in China is stabilizing and improving. We have yet to put economic recovery on a stable and solid basis.

Mr Xi said "We will continue to implement proactive fiscal policy. He said that China's monetary policy would remain loose. We will continue to implement moderately easing monetary policy,"

His statement chimed with remarks by US Federal Reserve Chairman Mr Ben Bernanke, who said on Thursday that the US central bank must continue to prop up the economy for an extended period.

Mr Bernanke had said "Accommodative policies will likely be warranted for an extended period."

Mr Xi said signs of recovery had appeared in the global economy, but any return to growth would be "long and tortuous. He also said China and the 27 country European Union should improve their dialogue on macroeconomic and financial issues while working to oppose protectionism in trade.

He added that "We should strengthen dialogue on macroeconomic and financial issues. We should follow on the outcomes of the three G20 financial summits economic financial coordination, push for reform of the international financial system, coordination on international financial supervision."

China is implementing a CNY 4 trillion stimulus spending plan to prop up the economy during the worst global downturn since World War Two. Its economic growth, seen at more than 8% in the Q3 compared with a year earlier is among the highest in the world, but China faces international calls to boost its domestic demand and reduce savings.

(Sourced from Reuter)

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