

**Regulatory  
Developments**

**MOF issues second RMB 1 trillion debt-swap quota for local government**

Approved by the State Council, the Ministry of Finance (MOF) on June 10 launched another 1 trillion yuan (163.9 billion U.S. dollars) debt-swap quota for local government debts. This is the second time for MOF to ease pressure on local government debts. MOF launched first 1 trillion yuan debt-swap quota in March.

The money gained from these two times must be used to repay the principals of the local government debts due in 2015 which was clarified by National Audit Office in June 2013. The debt that will be due in 2015 is about 1.86 trillion according to estimates.

[MOF News](#) (Currently Only Available in Chinese)

**Macroeconomic**

**CPI in May decreases slightly M-o-M and PPI decline narrows M-o-M**

On June 9, the National Bureau of Statistics (NBS) released China Consumer Price Index (CPI) and Producer Price Index (PPI) for May. CPI in May decreased by 0.2% month-on-month, which is essentially flat compared to the previous month, and went up by 1.2% year-on-year, slightly decreased compared to last month's 1.5%; PPI fell 0.1% month-on-month, with decline narrowing compared to last month, and down 4.6% year-on-year, almost same as previous month.

[NBS News](#) (Currently Only Available in Chinese)

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