

Macro & Financial

Market News

Required Deposit Reserve Ratio Cut for Replacement of outstanding Medium Lending Facility is Implemented Today

On April 25, 2018, the reduction of required deposit reserve ratio of large commercial banks, joint stock commercial banks, city commercial banks, non-county rural commercial banks, and foreign-funded commercial banks by one percentage point has released a total of almost RMB 1.3 trillion, out of which RMB 900 billion have been used by the relevant banks to repay their respective outstanding Medium-term Lending Facility (MLF) borrowed from the central bank. A net of RMB 400 billion are released as the policy takes effect today.

[\(PBC News\)](#) (Currently Available in English)

Governor Yi Gang attended G20 Finance Ministers and Central Bank Governors' Meeting

On April 19 and 20, Governor Yi Gang attended the G20 Finance Ministers and Central Bank Governors' Meeting in Washington, D.C. FM&CBGs discussed issues of global economic outlook, the Future of Work and the Compact with Africa.

Governor Yi highlighted that Chinese economy outlook continues to improve with key indicators outperforming expectation. GDP growth rate in the first quarter of 2018 was 6.8%, with strong consumption growth, increasing corporate profit, buoyant employment, moderate inflation and appreciating RMB. In the meantime, the structure and quality of growth have further improved. Current trade dispute brings huge uncertainties to the financial market and capital flow. It is essential for G20 to uphold multilateralism and support the rules-based multilateral trade system. China will further open up and deepen reforms to deal with challenges ahead.

Governor Yi stressed the importance to encourage private sector to invest in Africa in a market-oriented way. Given that the projects in African countries are relatively risky with low profit and long term, it is important to make the full use of development finance while ensuring sustainability. In 2014, the PBC set up a 2 billion USD African Growing Together Fund (AGTF) with the African Development Bank, which is now working smoothly. Besides, China Development Bank set up the China-Africa

development fund. Both funds closely cooperated with local partners, making the financing sustainable.

[\(PBC News\)](#) (Currently Available in English)

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