

China approves \$1.4 trillion debt package in latest measure to boost flagging economy

China has approved a 10 trillion yuan (\$1.4 trillion) plan to bolster its ailing economy by allowing local governments to refinance their debt, unveiling additional stimulus measures to counter a potentially volatile growth path marked by the impending return of Donald Trump to the White House.

Finance Minister Lan Fo'an said at a press conference Friday that borrowing capped at 6 trillion yuan (\$838 billion) would be allowed over three years to help regional governments replace their so-called "hidden debt." This kind of debt is normally owed by risky local government financing platforms, backed by cities or provinces.

Lan added that local governments will be given access to a separate 4 trillion yuan (\$558 billion) quota in the form of special local bonds over five years, also with the aim of trimming their debt holdings. The announcement was made at the conclusion of a five-day meeting by China's top legislative body, the Standing Committee of the National People's Congress (NPC).

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