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COVID-19: MAIN FISCAL AND MONETARY MEASURES

ECONOMIC RESEARCH

BNP PARIBAS

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Summary

For further information read EcoFlash 'Covid-19: Key measures taken by governments ans central banks'.

European Union: main fiscal support measures

European Union member states acted swiftly on the fiscal front to tackle the effects of the Covid-19 pandemic on household incomes and business cash flow. The current crisis has also brought a strong fiscal response at the European level, which was necessary. The Eurogroup has notably proposed a significant package to help tackle the crisis, worth EUR 540 billion (or around 4.5% of Eurozone GDP). These measures have since been approved by the European Council. The European Commission's proposed EUR 750 billion Recovery Fund still needs to be agreed by member states. The question of the share of grants vs loans would appear to be particularly sensitive.

Known measures and amounts (EUR bn) as of June 2020

Fiscal rules		Amount
Easing of European Fiscal Rules	Activation of the general "escape clause" which in case of a severe economic downturn allows countries to deviate from certain restrictions set under the preventative and corrective sections of the Stability and Growth Pact.	
Liquidity injections		**Amount**
ESM Pandemic Crisis Support	Under the framework of the European Stability Mechanism (ESM), an enhanced conditions credit line was activated to be devoted specifically to the management of the Covid-19 crisis. The credit line does not have strict conditionality.	240
Greater role for the European Investment Bank (EIB)	Creation of a pan-European buffer of loan guarantees designed especially for small and medium-sized firms.	200
Support to mitigate Unemployment Risks in an Emergency (SURE)	Financial support in the form of loans designed to respond to the increase in unemployment and greater use of short-term working schemes.	100
Stimulus plan (currently pending negotiations)		**Amount**
European Stimulus Fund	Creation of a European-wide stimulus fund that would be financed by debt issued in the financial markets in the name of the European Union rather than through additional contributions by member states. The overall plan would consist of a substantial share of transfers (EUR 500 bn), or about 3.5% of EU-27 GDP.	750 (?)

Source: European Commission, BNP Paribas

Eurozone : comparative outline of the national support fiscal measures

	FRANCE (figures as known at 16 June 2020)		GERMANY (figures as known at 4 June 2020)		ITALY (figures as known at 18 June 2020)		SPAIN (figures as known at 18 June 2020)	
	EUR billion	% of GDP	EUR billion	% of GDP	EUR billion	% of GDP	EUR billion	% of GDP
Additional healthcare spending	8,0	0,4	73,9	2,3	3,2	0,2	3,9	0,4
Support for businesses: cash flow measures	63,5	2,9	329,0	10,1	15,0	0,9	14,0	1,3
Support for businesses: guaranteed loans and capital injections	348,0	15,8	940,9	28,9	530,0	33,3	114,0	10,3
Support for households, including short-time working	31,2	1,4	62,1	1,9	10,4	0,7	17,9	1,6
Other	4,6	0,2	131,0	4,0			16,0	1,5
TOTAL	**455,3**	**20,7**	**1536,9**	**47,1**	**558,6**	**35,1**	**165,8**	**15,0**

2020 GDP (value), BNP Paribas forecasts at 1st June 2020 - Source: Bruegel, European Commission, IMF, Bank of Spain, national governments, BNP Paribas

The figures are not fully comparable: some measures are not accounted for in some countries while they are in others, such as the German stimulus package unveiled on June, 3rd.

Germany: main fiscal support measures

On 3 June, the federal government announced a stimulus package to revive the economy worth EUR 130 billion (4% of GDP in 2020). The programme consists of a long list of 57 points. Almost half of the stimulus is directed at mitigating the adverse economic and social consequences due to the crisis. A key element is the temporary lowering of the VAT rate in the second half of 2020. The standard rate will be cut from 19% to 16% and the reduced rate from 7% to 5%.

The programme also aims at modernising and greening the economy through digitalisation, improving mobility, climate protection and subsidising the technologies of the future such as hydrogen-based and quantum technologies.

In addition, the federal government will provide financial support to the states and municipalities as compensation for increased social spending and disappointing tax receipts. The Bundesbank estimate that the programme will boost growth by 1 percentage point in 2020 and 0.5 pp in 2021.

Figures as known at 4 June 2020	EUR billion	% of GDP
Support to healthcare sector	**73.9**	**2.3**
Support for businesses	**329.0**	**10.1**
Cash flow measures	25.0	0.8
Direct grants to distressed one-person companies and micro-enterprises	50.0	1.5
Carry back losses	2.0	0.1
Accelerated depreciation	6.0	0.2
Deferred taxes	246.0	7.5
Support for businesses: guaranteed loans and capital injections	**940.9**	**28.9**
Stability fund (WSW)	400.0	12.3
KfW	465.0	14.3
State measures	75.9	2.3
Support for households, including short-time working	**62.1**	**1.9**
Kurzarbeit (short-time working)	10.0	0.3
Social security and family benefits	15.8	0.5
VAT reduction	20.0	0.6
Electricity price cut	11.0	0.3
Social security contribution cap	5.3	0.2
States and local government	**81.5**	**2.5**
Loans and subsidies	18.0	0.6
Tax reductions	34.1	1.0
Housing costs of the long-term unemployed paid by the federal government	17.0	0.5
Government support to states and local government	12.4	0.4
Measures to help the environment and research	**49.5**	**1.5**
Investment in electric cars	15.0	0.5
Artificial intelligence	11.0	0.3
Green and digital investment project	12.5	0.4
Hydrogen strategy	9.0	0.3
Low-energy buildings	2.0	0.1
TOTAL	**1536.9**	**47.1**

Source: Bruegel, The fiscal response to the economic fallout from the coronavirus, BNP Paribas

France: main fiscal support measures

As soon as 23 March, France has deployed a substantial arsenal of measures around five pillars: additional healthcare spending, the extension of short-time working, a solidarity fund for the smallest distressed businesses, deferrals of tax and social security payments and government-guaranteed loans. From an initial sum of EUR 345 billion, the total amount allocated to the emergency relief package has been increased on a number of occasions to reach EUR 455 billion or nearly 21% of GDP (by 16 June).

Whilst the scale differs from those seen in its major European partners the measures are similar in nature, with the goals of addressing urgent need, cushioning the recessionary shock and preparing the recovery, which the government will now need to support. It is time for stimulus plans, plural: first for particular sectors (tourism, automotive, aerospace, etc.) and then more widespread (currently being drawn up, due to be announced in September, first measures, including the development of the short-time working scheme, being expected earlier, by mid-July).

Figures as known at 16 June 2020	EUR billion	% of GDP
Additional healthcare spending	**8,0**	**0,4**
Support for businesses: cash flow measures	**63,5**	**2,9**
Deferral of tax and social security payments	32,5	1,5
Early repayment of tax credits	23,0	1,0
Solidarity fund	8,0	0,4
Support for businesses: guaranteed loans and capital injections	**348,0**	**15,8**
Government-guaranteed loans (PGE) and reinsurance	327,0	14,9
Capital injection from the special allocation account (support to strategic companies)	20,0	0,9
Economic and social development fund (FDES)	1,0	0,0
Support for households, including short-time working	**31,2**	**1,4**
Short-time working	30,8	1,4
Unemployment insurance	0,4	0,0
Other	**4,6**	**0,2**
TOTAL	**455,3**	**20,7**
Total direct measures	***107,3***	***4,9***
Total guarantees	***348,0***	***15,8***
Sector-specific stimulus plans (tourism, automotive) - measures affecting the deficit	**5,5**	**0,3**
Sector-specific stimulus plans (tourism, automotive, aerospace, tech, books, construction) - total total measures announced	**42,8**	**1,9**
6-months debt repayments moratorium on corporate bank loans	**180,0**	**8,2**

Source: French government, HCFP, Bruegel, BNP Paribas

Italy: main fiscal support measures

On 16 March, the Italian government introduced the Cura Italia emergency programme, worth EUR 25 billion. This was significantly expanded on 14 May, by a recovery decree allocating a further EUR 155 billion. Major aspects of the package include the expansion of the redundancy fund (to finance short-time working), tax exemptions, the partial repayment of rent for companies and a moratorium until 30 September on repayment of loans to SMEs.
The government would also allow total loan guarantees to reach up to EUR 530 billion, which would push the total support package to around EUR 780 billion.
The general assemblies that took place between 13 and 21 June have helped design the shape of a major recovery plan. Several measures have been discussed such as a VAT reduction, new tax credits for companies, and a modernisation of the rail network. This programme is due to be presented to the European Commission in September.

Figures as known at 1 July 2020	EUR billion	% of GDP
Additional healthcare spending	**3,2**	**0,2**
Support for businesses: cash flow measures	**15,0**	**0,9**
Tax exemptions and partial rent repayment	15,0	0,9
Support for businesses: guaranteed loans and capital injections	**530,0**	**33,3**
Loan moratorium for SMEs (until 30 September)	100,0	6,3
Extension of credit lines from SACE Simest (Italy's export credit guarantee agency)	200,0	12,6
Loans guaranteed 10% by SACE and 90% by government	200,0	12,6
Government-guaranteed loans for banks financing large and mid-sized companies	10,0	0,6
Other	20,0	1,3
Support for households, including short-time working	**10,4**	**0,7**
Childcare allocation	1,2	0,1
18-month loan repayment suspension	0,5	0,0
Other	8,7	0,5
TOTAL	**558,6**	**35,1**
Total direct measures	***28,6***	**1,8**
Total guarantees	***530,0***	**33,3**
Loan moratorium for SMEs (until 30 September)	**220,0**	**13,8**

Source: Italian Ministry of Economics and Finance, BNP Paribas

Spain: main fiscal support measures

To tackle the crisis, the Spanish government introduced on 17 March an emergency plan worth EUR 117 billion of public funds (EUR 200 billion including the private sector contribution). This programme consists of EUR 100 billion in financial guarantees to companies and EUR 17 billion in direct support, mainly in the form of healthcare spending, short-time working and deferred tax and social security payments for companies and individuals.
This emergency programme has since been expanded with two stimulus packages to support strategic sectors that have been hit hard by the crisis. On 15 June, the government brought forward a EUR 3.5 billion plan for the automotive industry, which was followed, on 18 June, by a list of measures for the tourist industry worth EUR 4.26 billion. In parallel, a EUR 16 billion solidarity fund for the autonomous communities was introduced, mainly to help local authorities meet their financial obligations.

Figures as known at 1 July 2020	EUR billion	% of GDP
Additional healthcare spending	**3,9**	**0,4**
Support for businesses: cash flow measures	**14,0**	**1,3**
Deferral of tax and social security payments	14,0	1,3
Support for businesses: guaranteed loans and capital injections	**114,0**	**10,3**
Government-guaranteed loans (PGE) and reinsurance	102,0	9,3
Extension of credit to ICO (Spanish public investment bank)	10,0	0,9
Extension of guarantees provided by the Spanish Export Insurance Credit Company	2,0	0,2
Support for households, including short-time working	**17,9**	**1,6**
Short-time working (ERTE)	17,9	1,6
Other (Solidarity fund for autonomous communities)	**16,0**	**1,5**
TOTAL	**165,8**	**15,0**
Total direct measures	***51,8***	***4,7***
Total guarantees	***114,0***	***10,3***
Sector-specific stimulus plans (automotive, tourism) - measures affecting the deficit	**1,4**	**0,1**
Sector-specific stimulus plans (automotive, tourism) - total measures announced	**7,8**	**0,7**

Source: Spanish Ministry of Finance, BNP Paribas

ECB: main monetary support measures

In the face of the Covid-19 crisis, the European Central Bank (ECB) has adopted a particularly proactive and flexible approach. In all, with initial net monthly asset purchases (EUR 20 billion/month), additional asset purchases by the ECB by mid-2021 will represent around 15% of Eurozone GDP. The shock of the pandemic poses a considerable threat to price stability and could increase the financial fragmentation of the Eurozone. With this in mind, the ECB will maintain a flexible approach and a further expansion of its asset purchases envelope is to be expected.

Credit measures	
TLTRO-III (Targeted Longer Term Refinancing Operations)	Reduced rate: Deposit facility rate (-0.5%) -50bp
PELTRO (Pandemic Emergency Longer Term Refinancing Operations)	7 emergency operations maturing in Q3 2021: main refinancing rate (0%) - 25bp
Collateral policy	
Relaxation of collateral framework	The new framework applies to all refinancing operations, including TLTROIII
Haircuts	Haircuts applied to the value of collateral subject to a 20% reduction across the board 20%
Quantitative easing	
PEPP (Pandemic Emergency Purchases Programme)	The allocation under this new asset purchasing programme to tackle the pandemic emergency has been increased to EUR 1,350 bn. The time limit on PEPP has been extended to end-June 2021. Repaid principal on maturing securities acquired will be reinvested until at least the end of 2022.

Source: ECB, BNP Paribas

United States: main fiscal support measures

Congress has passed no fewer than five laws to deal with the consequences of the Covid-19 pandemic since the beginning of March. The major piece of legislation, the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) commits up to USD 2,300 billion (10% of GDP) of federal funds to support US households and companies, mainly in the form of guaranteed loans and tax credits and deferrals. Fiscal measures have subsequently been enhanced, taking the total budget to USD 3,600 billion (16% of GDP). As the power of automatic stabilisers (transfers) in the US is relatively low, two-thirds of the total budget is available in the form of direct allocations; federal actions (extensions of unemployment benefits, cheques sent to households, etc.) managed to protect incomes in the second quarter of 2020, as economic activity crumpled.

Figures as known at end-May 2020	USD billion	% of GDP
Additional healthcare spending (including local institutions)	**350.0**	**1.6**
Support for businesses: cash flow measures	**646.0**	**2.9**
Tax deferrals or credits	646.0	2.9
Support for businesses: guaranteed loans and capital injections	**1 450.0**	**6.5**
Guaranteed loans (Paycheck Protection Program)	670.0	3.0
Others (support for distressed industries, callable capital)	780.0	3.5
Support for households	**1 067.0**	**4.8**
Tax deferrals or credits	593.0	2.7
Extension of unemployment benefits	282.0	1.3
Other (food support, moratorium on student loans…)	192.0	0.9
Other	**100.0**	**0.4**
TOTAL	**3 613.0**	**16.2**
Total direct measures	**2 443.0**	**10.9**
Total guarantees	**1 170.0**	**5.2**

Source: Bruegel, IMF, Committee for a Responsible Federal Budget, BNP Paribas

Federal Reserve: main monetary support measures

In just three months, the massive economic support provided by the Federal Reserve has swollen its balance sheet by USD2,800 billion, helping ease the extreme financial tensions triggered by the Covid-19 pandemic. Since mid-May, its balance sheet -now bigger than that of the ECB- is more than USD7,000 billion, or 33% of GDP. Its assets purchases, liquidity facilities, lending programs and liquidity swap lines significantly expanded the amount of central bank money. The distinguishing feature of the Fed's response to the health crisis, in comparison with the financial crisis of 2007-2009, is the use of measures designed to support more directly the flow of credit to households, non-financial corporations and local public authorities. So far, only a fraction of these multitrillion dollar emergency lending facilities unveiled by the Federal Reserve has been deployed however.

Figures as known at 24 June 2020, USD billion

Conventional measures	
Target Fed Funds Rate	100bp reduction to 0%-0.25%
Discount rate	150bp reduction to 0.25%
Required reserves	Reduction in required reserve coefficient to 0% Reduction in interest rate on reserves to 0.1%

Quantitative easing	Purchases since 11/03	Amount available	Outstanding at 24/06
Purchases of Treasuries, Agency debt securities and MBS	2246.0	Unlimited	6143.2

Coordinated measures	Counterparties	Amount available	Maximum outstanding since 11/03	Outstanding at 24/06
Central bank swap lines	ECB, BOE, BOJ, BNS and BoC	Unlimited	402.7	196.5
	RBA, BCB, BoK, BdM, MAS and Riskbank	360	36.6	26.1
	DanNB, Norges B. and RBNZ	90	10.7	6.1

Liquidity injections and specific financing programmes	Type of operation and counterparties	Amount available	Maximum outstanding since 11/03	Outstanding at 24/06
Overnight and term repurchase agreements	Repos of Treasuries, Agency debt securities and MBS with primary dealers	5000	441.9	70.2
Commercial Paper Funding Facility*	Purchases of newly issued commercial paper	Individual limit	4.2	4.2
Primary Dealer Credit Facility	Secured loans to primary dealers	Unlimited	33.4	3.6
Money Market Mutual Fund Liquidity Facility	Secured loans to banks (collateral = assets purchased from money market funds)	Unlimited	53.2	22.9
Primary Market Corporate Credit Facility	Purchases of corporate debt securities on the primary market	500	0.0	0.0
Secondary Market Corporate Credit Facility*	Purchases of corporate debt securities and ETF units on the secondary market	250	8.3	8.3
Term Asset-backed Securities Loan Facility	Secured loans (collateral = securities backed by loans)	100	0.0	0.0
Paycheck Protection Program Lending Facility	Secured loans (collateral = PPP loans to small companies guaranteed by the federal government)	Unlimited	62.6	62.6
Main Street Lending Program*	Purchases of new loans or extensions of loans to small and medium sized businesses	600	0.0	0.0
Municipal Liquidity Facility*	Purchase of debt securities issued by local authorities (states, counties and cities)	500	1.2	1.2
FIMA repo facility	Repos of Treasuries with foreign central banks	Unlimited	1.4	0.0

* excluding Treasury contributions to the SPV

Source: Federal Reserve, BNP Paribas

United Kingdom: main fiscal support measures

In addition to measures to support business cash flows, the UK government has pledged to guarantee at least GBP 330 billion in loans. So far, the various programmes launched to that effect – including the Covid Corporate Financing Facility (CCFF), created in cooperation with the Bank of England – have supplied more than GBP 60 billion in financing.

When it comes to households, the government has extended its furlough scheme (CJRS) until October, although the share of wages covered and the maximum amount will be gradually reduced. Since 1st July, businesses can bring furloughed employees back to work on a part time basis.

	Amount available		Amout outstanding at 28/06/2020	
	GBP billion	% of GDP	GBP billion	% of GDP
Additional spending to tackle the public health crisis	**14,9**	**0,7**	**-**	**-**
Support for businesses: cash flow measures	**82,5**	**4,0**	**27,5**	**1,3**
Grants to companies and cancellation of taxes	41,5	2,0	-	-
Deferral of tax payments (VAT, Self Assessment tax)	41,0	2,0	27,5	1,3
Support for businesses: guaranteed loans and capital injections	**340,3**	**16,7**	**61,8**	**3,0**
Loan guarantees	340,0	16,7	61,5	3,0
Government loans	0,3	0,0	0,3	0,0
Support for households, including short-time working	**79,8**	**3,9**	**33,2**	**1,6**
Furlough scheme (Coronavirus Job Retention Scheme, CJRS)	56,0	2,7	25,5	1,2
Support for the self-employed (Self-employed Income Support Scheme, SEISS)	15,0	0,7	7,7	0,4
Welfare spending	8,8	0,4	-	-
TOTAL	**517,4**	**25,3**	**122,5**	**6,0**
Total direct measures	***177,4***	***8,7***	***61,0***	***3,0***
Total guarantees	***340,0***	***16,7***	***61,5***	***3,0***

Source: HM Treasury, OBR, Institute for Government, BNP Paribas

Bank of England: main monetary support measures

The Bank of England has taken action on all fronts, including by reducing its base rate, extending its quantitative easing programme and launching financing and liquidity support programmes. However, while the refinancing programmes for banks (TFSME) and companies (CCFF) will continue for several months, the Bank is beginning to scale back support elsewhere. Its CTRF liquidity programme was discontinued on 26 June, and operations to provide dollar liquidity take place only three times a week since July, compared with daily previously.

Conventional measures	Change (pb)	Current rate
Bank Rate	-65	0,10%

Quantitative easing	Change (GBP bn)	Total stock (GBP billion, target at end-2020)
Total	+310	745
Purchases of government bonds	+300	725
Purchases of corporate bonds	+10	20

Liquidity injections and specific financing programmes	Programme type	Amount available	Outstanding at 17/06 (GBP bn)
Term Funding Scheme with additional incentives for SMEs (TFSME)	Long-term financing scheme for banks and mortgage lenders	At least GBP 100 bn	14,2
Covid Corporate Financing Facility (CCFF)	Financing scheme for companies coordinated with the Treasury	Unlimited	18,6
Contingent Term Repo Facility (CTRF)	Liquidity injection programme	-	11,4
US dollar repo operations	Swap agreement with US Federal Reserve	Unlimited	7,7
Temporary extension of the Ways and Means (W&M) facility	The W&M facility enables sterling cash advances from the Bank to the government	-	0

China: main fiscal support measures

The fiscal stimulus plan has been introduced gradually since February. At the end of May, the government published its budget and announced its deficit target for this year. The deficit is due to increase by CNY1trn in 2020 and reach 3.6% of GDP, vs. 2.8% in 2019. Yet, this « official » budget largely under-estimates the real extent of the fiscal stimulus plan, which has several components. Some items are included in the budget, some others are off-budget, incurred by various funds (social security funds, fund financed by special bond issues, local government's financial vehicles, etc.).
Fiscal stimulus measures that have been introduced/announced in response to the health and economic crisis aim to support sectors directly hit by the impact of the epidemic, support corporates' and households' income and support the labor market. Public investment in infrastructure projects remain a privileged policy instrument and has rebounded over the past two months. It is largely financed by the issuance of « special » bonds by the central government (CNY1trn is due to be issued in 2020 – last time the central government issued this type of special bonds was in 2007) and by local governments (their bond issuance quota for 2020 was raised to CNY1.6trn to CNY3.75trn). Measures in favor of micro enterprises and SMEs, employment and private consumption should be implemented more gradually.

DIRECT APPROACH FROM ANNOUNCED MEASURES		
Amounts in CNY & % of 2020 GDP, estimates	**CNY bn**	**% of GDP**
Additional spending in healthcare / health sector (epidemic control, infrastructure, R&D)	**110**	**0.1**
Support for corporates and households affected by the consequences of the epidemic	**3 335**	**3.2**
of which: Waived social security contributions	> 500	
Tax relief measures		
Reduction in electricity tarif (-5%) and rents for industrial or commercial use		
Extension of unemployment insurance		
Other measures to help SMEs, micro enterprises and low-income households		
Additional investments in infrastructure	**2 300**	**2.2**
FISCAL SUPPORT MEASURES, TOTAL	**5 745**	**5.5**

INDIRECT APPROACH FROM DEFICIT INCREASE		
Amounts in CNY & % of 2020 GDP, estimates	**CNY bn**	**% of GDP**
Increase in official budget deficit	**1 000**	**1.0**
New "special" central government bond issue	**1 000**	**1.0**
New "special" local government bond issue	**1 600**	**1.5**
Increase in off-budget borrowings and other public funds, estimate	**2 145**	**2.1**
FISCAL SUPPORT MEASURES, TOTAL	**5 745**	**5.5**

Source : Chinese authorities, BNP Paribas

Bank of China: main monetary support measures

Monetary stimulus measures aim to support corporates and sectors that have been hit by the coronavirus outbreak, help prevent defaults and bankruptcies, limit the risk of financial-system instability and facilitate the economic recovery. People's Bank of China (PBOC) has injected liquidity in the financial sector in order to meet demand, cut the main policy rates and encouraged banks to refinance loans and cover corporates' financing needs. Micro and small enterprises appear to be a great concern to the authorities. Growth in total domestic credit (social financing) accelerated to 12.5% year-on-year in May 2020 from 10.7% in February. It could reach 13% to 14% at the end of 2020. As a matter of fact, the easing in monetary and credit conditions should remain prudent, as the central bank's room for maneuver is severely constrained by the already excessive level of debt of the economy.

Interest rate cuts	Between end-Jan. and end-June 2020
Medium-term Lending Facility (MLF) Rate, 1 Year	-30 bp to 2.95%
Repo rate, 7 days	-40 bp to 2.13%
Loan Prime Rate, 1 Year	-30 bp to 3.85%

Liquidity injection and financing programs	Between end-Jan. and end-June 2020
Reduction in Reserve Requirement Ratios	-50 bp to 9.4%
Open Market Operations, Financing facilities (MLF)	Liquidity injection of RMB 5.7 trn (gross)
Expansion of re-lending and re-discounting facilities to support lending to targeted sectors/corporates and to small and micro enterprises	New financing lines of CNY 2.2 trn
Expansion of policy banks' credit line to private firms, small and micro enterprises	New credits totaling CNY 350 bn

Easing of domestic credit conditions via guidelines given to commercial banks (window guidance)
Increase in lending to support SMEs and micro enterprises; large banks must increase their loans to micro and small enterprises to 40% from 30%
Banks are encouraged to support clients facing difficulties, refinance loans and reschedule loan repayments
Moratorium of loan repayments until end of March 2021 for eligible enterprises and households
Loosening of rules for issuing bonds for financial and non-financial institutions
Prudent regulatory forbearance for banks (provisioning, definition of non performing loans, asset risk weighing, etc)
Credit growth strengthening through quotas assigned to banks

Source: PBOC, IMF, BNP Paribas

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