

China to cut 19b yuan in administrative fees to boost economy

November 20, 2008 - 15:56 BJT (07:56 GMT) China Daily

An administrative fee cut on 100 items will save Chinese enterprises about 19 billion yuan (\$2.78 billion), announced the Ministry of Finance (MOF) on Wednesday.

On November 13, the MOF and the National Development and Reform Committee (NDRC), the country's top economic planner, jointly announced a decision to abolish administrative fees in areas such as business license applications, industrial construction, foreign trade, agricultural production, employment and education, among others.

The fiscal policy takes effect on January 1, 2009.

"The move supports the government's decision to stimulate domestic demand and promote economic growth," the MOF said on its web site.

According to the ministry, such a "powerful" measure will help encourage company investment and social consumption.

Meanwhile, financial departments at all levels have been ordered to properly arrange fiscal budgets and guarantee administration funds to tackle the decrease in governmental income caused by the fee cuts.

The MOF didn't specify the estimated revenue loss.

In September, China ceased administrative charges on local markets and individual merchants, saving about 17 billion yuan for the related economic sector, MOF statistics showed.

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