

China offers \$43bn boost to firms fighting virus

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A worker wearing a protective suit disinfects door handles of a business establishment in Shanghai

China's central bank said Sunday it will offer a 300 billion yuan (\$43 billion) boost next week to help businesses involved in fighting the virus

epidemic which has swept China and infected thousands.

The outbreak, which started in the central city of Wuhan, has brought large swathes of the country to a halt and threatens to dampen the country's already slowing economy.

The People's Bank of China (PBOC) said it will offer the first tranche of special re-lending funds on Monday, which it said will support financial institutions to give loans to key enterprises involved in the prevention and control of the epidemic.

PBOC deputy governor Liu Guoqiang said that nine major national banks, as well as local banks in 10 provinces and cities, qualify for the special funding, according to a speech posted on the bank's website Sunday.

These 10 areas include Hubei province—the epicentre of the virus outbreak—as well as Zhejiang, Guangdong, the capital [city](#) of Beijing and financial hub Shanghai.

The financial boost is aimed at helping companies at both national and local level, Liu said.

He stressed that "financial institutions need to review and issue loans quickly", and that they should also release funds within two days.

The deputy governor added that the central bank will track the use of the funds and any found to flout the rules will be penalised.

He also said the scope of key enterprises "should not be too wide".

The deadly coronavirus has claimed over 800 lives in China and spread around the world.

To curb the epidemic, cities in China have imposed travel restrictions and urged citizens to stay home, and companies have delayed the resumption of work—moves that could take a toll on earnings.

Analysts expect the outbreak to shave up to two percentage points from China's first-quarter growth, and authorities have announced a range of measures to shore up support.

The [central bank](#) has called on [financial institutions](#) to avoid "blindly" cutting off loans from industries, as well as small and micro enterprises.

It also announced that it would pump 1.2 trillion yuan (\$173 bln) into financial markets as it ramped up support for the virus fight.

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