

Flash Note 12/01/2018

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China. From an unbalanced financial history to a greater social welfare

Finance & Debt

- **China shuts loophole on non-standard credit to property and infrastructure sectors to curbe the formation of potential bubbles:** [SCMP](#) reported China has banned non-bank financial institutions from channeling funds into the property and infrastructure sectors via entrusted loans, closing an important loophole for non-traditional financing. Verbal instructions from securities regulators stipulate that new collective asset management plans (AMPs) designed to invest in entrusted loans, trust loans and other credit assets can no longer register.
- **Asset-management growth normalizes:** [SCMP](#) cited Asset Management Association of China (AMAC) data showing China's assets under management, held by fund management firms, securities and futures companies, and privately offered investment funds, were worth a combined CNY53.6T (\$8.22T) at the end of last year, a 3.49% rise. This compares to the 35.6% growth in 2016. The rapid slowdown reflects sweeping new regulations on the shadow banking sector over the past 18 months in an effort to rein in the nation's rising debt.

Social

- **China is winning battle against pollution in big cities:** [SCMP](#) cited a Greenpeace report showing air pollution in Beijing, Tianjin and more than two dozen surrounding cities dropped dramatically in Q4 of last year amid a government crackdown on foul air.
- The improvement was attributed to more stringent curbs on industrial production, a reduction in the use of cars and a small-scale ban on coal burning, combined also with favourable weather.

Best regards from Uruguay. The land of the sweet sea.