

Yi Gang: New Year Address

New Year Address by Mr Yi Gang, Governor of the People's Bank of China, 1 January 2021.

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At the time of ringing out the old and ringing in the new, we are going to bid farewell to the unforgettable 2020 and greet the first beam of sunlight in 2021. At this moment, the Chang'an Avenue in Beijing is lined with bright lights and filled with busy traffic. The office building of the headquarters of the People's Bank of China (PBC) is still brightly lit and our staff is as busy as usual. Many staff members of the PBC remain dedicated to their work around the clock. I would like to extend my New Year wishes to every staff member of the PBC and your family, and pay my highest respects to those who remain at their posts during the holiday. In the meantime, I would like to express heartfelt gratitude to all sectors of society for your continuous care and support for the work of the PBC.

In 2020, we not only lived through difficult times but also achieved significant progress. As the COVID-19 pandemic wreaked havoc globally, we followed the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and resolutely implemented the decisions and arrangements made by the Central Committee of the Communist Party of China (CPC) and the State Council and the requirements of the Financial Stability and Development Committee (FSDC) under the State Council. Putting the people's interests first all the time, we proceeded with confidence, met the challenges and acted proactively in response. The macro regulation has become more scientific and efficient, the support to the real economy stronger and better-targeted, and decisive achievements have been secured in the Three Critical Battles. With these efforts, we have made contributions, in the domain of finance, to achieving the main targets and tasks of the 13th Five-Year Plan and to building a moderately prosperous society in all respects.

We gave top priority to coordinating pandemic containment and economic and social development. The PBC took prompt actions as called upon to tackle the unexpected COVID-19 outbreak. During the Spring Festival of 2020, the PBC staff responsible for money and credit, payment and settlement, cash supply, Treasury allocation, foreign exchange services and other businesses gave up family reunions and devoted themselves to work at the risk of their own safety. Some worked on financial measures bolstering pandemic containment to render policy support to the public; some made arrangements for fund allocation to shore up supply; and some opened up green channels to deliver unimpeded services. We rolled out 30 financial support measures, cut the required reserve ratio (RRR) three times and launched RMB300 billion low-cost special central bank lending as well as RMB500 billion central bank lending and central bank discounts for the resumption of work and production, to name a few. Fighting in solidarity with the people nationwide, the PBC staff spared no efforts to win the fight against the pandemic. Now we have managed to achieve the objectives of our monetary policy and China is the only major economy in the world with positive economic growth throughout the year. Our endeavors are widely recognized by the financial markets and all sectors of society and are highly appreciated by international organizations and the international community at large.

We have always been concerned about the well-being of micro and small businesses (MSBs), self-employed businesses and other market entities. Affected by the pandemic, many MSBs faced surging pressures for survival. They are the source of income for millions of families. They fuel the vitality of the market economy and safeguard the national economy and the people's livelihood. Holding fast to the Two Unwavering Commitments, we delivered full support to stabilizing businesses and securing employment, increased RMB1 trillion quotas for inclusive central bank lending and central bank discounts, launched two new monetary policy tools providing direct support for the real economy, continuously unleashed the benefits of the loan prime rate (LPR) reform, rolled out a mix of measures to enable banks to increase credit

supply, prompted financial institutions to cut profits in favor of their clients as appropriate and went all out to reduce the financing cost of the real economy. Up to now, banks have deferred repayments on more than RMB6 trillion worth of loans and issued over RMB3 trillion unsecured inclusive MSB loans, which benefited more than 30 million business entities. The financial sector has achieved the goal of cutting RMB1.5 trillion worth of profits in favor of the real economy.

We pushed forward with the reform and opening-up of the financial sector and were determined to win the Three Critical Battles. The PBC staff studied the guidelines of the Fifth Plenary Session of the 19th CPC Central Committee and the 2020 Central Economic Work Conference, and deepened financial reforms to facilitate high-level opening-up. In fulfilling the duties of the FSDC Office, we further strengthened the coordination of financial regulation, advanced the market-based reform of interest rates and RMB exchange rate, kept improving the framework of macroprudential regulation, enhanced the quality and efficiency of financial services and rolled out a series of measures to facilitate trade and investment. Furthermore, we sped up the implementation of unveiled measures for financial opening-up and made remarkable achievements in international exchanges and cooperation. Propelled by financial reform and opening-up, we forged ahead on the way to win the Three Critical Battles. To be specific, we made efforts to forestall and defuse major financial risks and put up a robust financial safety net; we provided financial support for targeted poverty alleviation to ensure that no one is left behind on the way towards a moderately prosperous society in all respects; and we fostered a green finance system to act on the principle that “lucid waters and lush mountains are invaluable assets”.

While making solid progress in our work, we also cared for the physical health and mental well-being of our staff members and the growth of young colleagues, as health is the foundation of everything. During the combat against the pandemic, we were not only concerned about the safety of those on the frontline, but also paid close attention to the health of all staff members. We required PBC branches, sub-branches and institutions at all levels to provide anti-pandemic supplies and put in place a mix of strict prevention and control measures, so as to defend all staff members against the pandemic. To our delight, in the face of the pandemic, our young colleagues have kept firmly in mind the instructions and expectations of General Secretary Xi Jinping for them to take on heavy duties in the face of difficulties and meet the most urgent needs of the Party and the people. You have lived up to our expectations. We have seen your potentials. We are proud of you!

Winter will eventually pass, and spring is sure to come.

As the year of 2021 marks the commencement of the 14th Five-Year Plan period, we will embark on a new course of building a modern socialist country in all respects. We will renew our efforts at a new starting point. We should unite around the CPC Central Committee with Comrade Xi Jinping at the core, continuously enhance the “awareness of maintaining political integrity, thinking in big-picture terms, following the leadership core and keeping in alignment”, strengthen “confidence in the path, theory, system and culture of socialism with Chinese characteristics”, and uphold “General Secretary Xi Jinping’s core position on the Party Central Committee and in the Party as a whole as well as the Party Central Committee’s authority and its centralized and unified leadership”. Moreover, we will thoroughly implement the guidelines of the Fifth Plenary Session of the 19th CPC Central Committee and the 2020 Central Economic Work Conference, practice the new development philosophy at the new development stage, focus on promoting high-quality development, and pursue financial supply-side structural reform as our main task, so as to build a modern central bank system. We will also press ahead with our efforts to ensure “six stabilities” and “six guarantees” to provide strong and effective financial support for speeding up the building of a new development paradigm and commemorate the centenary of the founding of the Party with remarkable achievements!