Chinese housing: fundamental to lead recovery

**The man holding the vote was already lowered by 12 percent to 5 percent last November, with the aim of supporting new loans, and additional cuts are likely to be implemented in the medium term. Nevertheless, Chinese policymakers will be vigilant, as any relaxation of the lending rates might lead to excessive leverage and might spur more official financial support if deposits are also cut. In the short term, the decline in the deposit rates is less relevant, but much will depend on the outcome of the presidential vote next week that could end in a stalemate which would automatically affect the country’s economic future.

The government has been using the property sector as a key tool to support the economy. A strengthening of the housing market could help the economy to grow at a faster pace, which would be beneficial for the country’s economic future.

**Environmental Commissioner Stavros Dimas. Industry Commissioner Dacian Ciolos and Environment Commissioner Stavros Dimas.**