

LEHMAN, LEE & XU

雷曼律师事务所



PRESS RELEASE

CHINA TO RAISE TAX REBATES FOR A QUARTER OF ALL EXPORTS TO STIMULATE THE EXPORT ECONOMY

Beijing, China – Thursday 23 October, 2008 –

China's Ministry of Finance said in a statement posted on its website that China will raise tax rebates for a quarter of all exported goods. The move came as the government announced an array of stimulus measures after the nation's GDP growth declined to 9 percent year-on-year in the third quarter, the slowest pace over the past five years. "It's necessary to adjust the fiscal policy and prevent a drastic slump in the export sector," the Ministry of Finance said in its statement. "If we don't take measures, exports will continue to shrink and the plight faced by exporters will only worsen." The export sector, a major driver of the Chinese economy, has fallen victim to the global credit crisis and weaker foreign demand. The government will raise export tax rebates from Nov 1 for 3,486 products such as textiles, clothing, furniture and toys, according to the Ministry of Finance. For textiles and clothing, the refund rate will be increased from 13 to 14 percent.

Scott Garner of Lehman, Lee & Xu commented that "the tax rebates will certainly be welcomed by our clients, the majority of whom manufacture goods in China for export. Also, we have seen a significant amount of price pressure on manufacturers this year. Even if the export duties are reduced by only a couple of percentage points, our clients should see more healthy margins."

Lehman, Lee & Xu is a prominent Chinese corporate law firm and trademark and patent agency with offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm is recognized as a leading expert in corporate law and an active member of the Shanghai community.

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