

Exclusive: China orders indebted local governments to halt some infrastructure projects-sources

Jan 19 (Reuters) - China has instructed heavily indebted local governments to delay or halt some state-funded infrastructure projects, three people with knowledge of the situation said, as Beijing struggles to contain debt risks even as it tries to stimulate the economy.

Increasing its efforts to manage \$13 trillion in municipal debt, the State Council in recent weeks issued a directive to local governments and state banks to delay or halt construction on projects with less than half the planned investment completed in 12 regions across the country, the sources said.

Beijing has been tightening curbs on debt in recent months to defuse risks to the world's second-largest economy and its financial stability, while also trying to stimulate growth that has long relied on infrastructure investments by local governments.

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