



Taxcast 思享

How to make the Shanghai Action Plan work for your business?

David Allgaier, a tax partner of Deloitte China Tax and Business Advisory, shares observations and recommendations to help you access more benefits and navigate the jungle of these measures.

Transcript

David Allgaier:

Hello, and welcome to *Deloitte Taxcast*. I'm David Allgaier, a tax partner from **Deloitte China**. Today, I'm going to talk about the somewhat recently announced **Shanghai Action Plan for Accelerating Economic Recovery and Revitalization**, which I'll just call the Action Plan.

I've been very fortunate to call Shanghai home for the past 14 years, and anyone who has ever visited Shanghai understands why the city is so amazing, and why so many businesses, domestic and foreign, operate here. The twenty-five or so million people living here, create an amazing collective energy that's hard to match.

But, all that buzz, all that activity, came to a sudden stop at the end of March this year. Personally, I ended up being part of the so called "closed loop management", basically stuck in my apartment for over two months. I remembered looking out of the window of my apartment in central Shanghai and seeing...well, basically nothing! No one was shopping, no one was eating out, there was zero traffic, offices were empty, the city was lifeless. Consumption was down, production was restricted. After a bit more than two months, communities gradually reopened and activities slowly returned to some degree of normal.

Realizing the businesses needed support, on May 29th, the government of Shanghai announced the Action Plan to stimulate economic recovery. The Action Plan contains fifty specific support measures and to keep it easy to understand, these 50 items come down to a focus on three things: production, employment and consumption. It's about boosting cash flow, creating jobs and just getting businesses back to normal. The measures include things like subsidies for hiring graduates, giving subsidies for replacing old cars with electric vehicles, rent support, and property tax reductions. The key is understanding how to make the items work for you and for your business. Shanghai is spending about \$45 billion to get Shanghai back on its feet and about six thousand people are being hired and dispatched to help deliver these bailout measures.

So let me leave you with this thought: anyone who has ever hiked a mountain and in full transparency that does not include me, knows that with a trained guide, not only makes the journey more enjoyable, but also helps ensure your safety. A lot of people don't know how to access the benefits of the Shanghai Action Plan, so my suggestion is, to contact a trained guide and in this case, a tax guide, to help you navigate the jungle of these measures. Talk to someone who understands the process to help you understand which of the fifty items are relevant to you and help you access them with greater ease.

And with that, this is my sharing for today. And thank you for tuning into *Deloitte Taxcast*. You may find more episodes via the tax cast portal on the pages of [Tax and Business Advisory | Deloitte China | Services, reports, and insights](#). Should you have any questions or any topics you like to learn about, please feel free to contact me, David Allgaier, or drop us a line via the contact page on the website.

Have a great day!

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