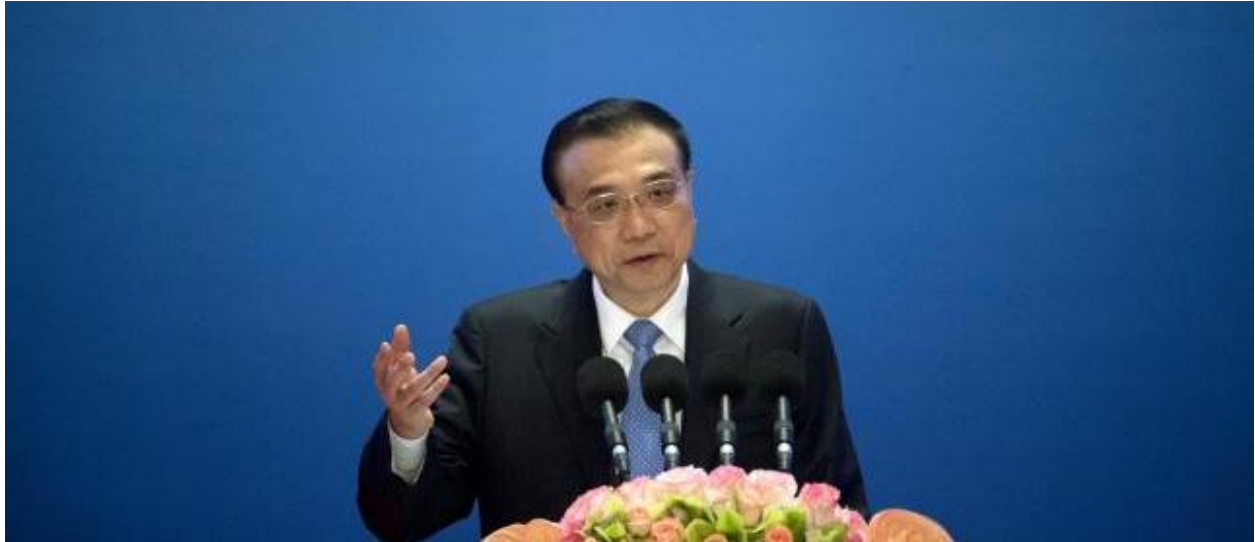


China says to expand reforms, replace business tax with VAT



Chinese Premier Li Keqiang speaks during the Inaugural Meeting of the Board of Governors of the Asian Infrastructure Investment Bank (AIIB) in Beijing, China, January 16, 2016.

Reuters/Mark Schiefelbein/Pool

China will expand tax reforms to replace a business tax with a value-added tax (VAT) this year, state radio quoted Premier Li Keqiang as saying, in the latest step to bolster slowing growth.

Top leaders have already pledged to cut taxes and expand the government budget deficit this year to support economic growth, which slowed to its lowest level in 25 years in 2015.

"We will fully expand the tax reforms to help substantially reduce corporate tax burdens," Li was quoted as saying.

The step would lead to large-scale tax cuts for companies, Li was quoted as saying.

The tax reforms would help the economy withstand the downward pressure and support high-end service sectors, he added.

The government has promised to expand tax reform to real estate construction, financial service and consumer service sectors.

The VAT reform, which was launched in 2012 as a trial program, has been applied to railway transportation, postal services, telecommunications and some service sectors.

(Reporting by China Monitoring Desk and Kevin Yao; Editing by Nick Macfie)