

## Aiding Small Firms

China will suspend the value-added tax (VAT) and turnover tax for small businesses with monthly sales of less than 20,000 yuan (\$3,226) starting from August 1, a move aimed at supporting the country's fledgling small businesses amid an economic slowdown.

The move will benefit more than 6 million small companies and boost the employment and income for tens of millions of people, according to a statement from the State Council.

VAT refers to a tax levied on the difference between a commodity's price before taxes and its cost of production. Turnover tax refers to a levy on a business' gross revenues.

More efforts should be made to create a fair, open and convenient market environment, motivate market players and enhance construction in weak areas of the economy.