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Chinese Economic Challenges Today Versus Japanese Economic Challenges 30 Years Ago

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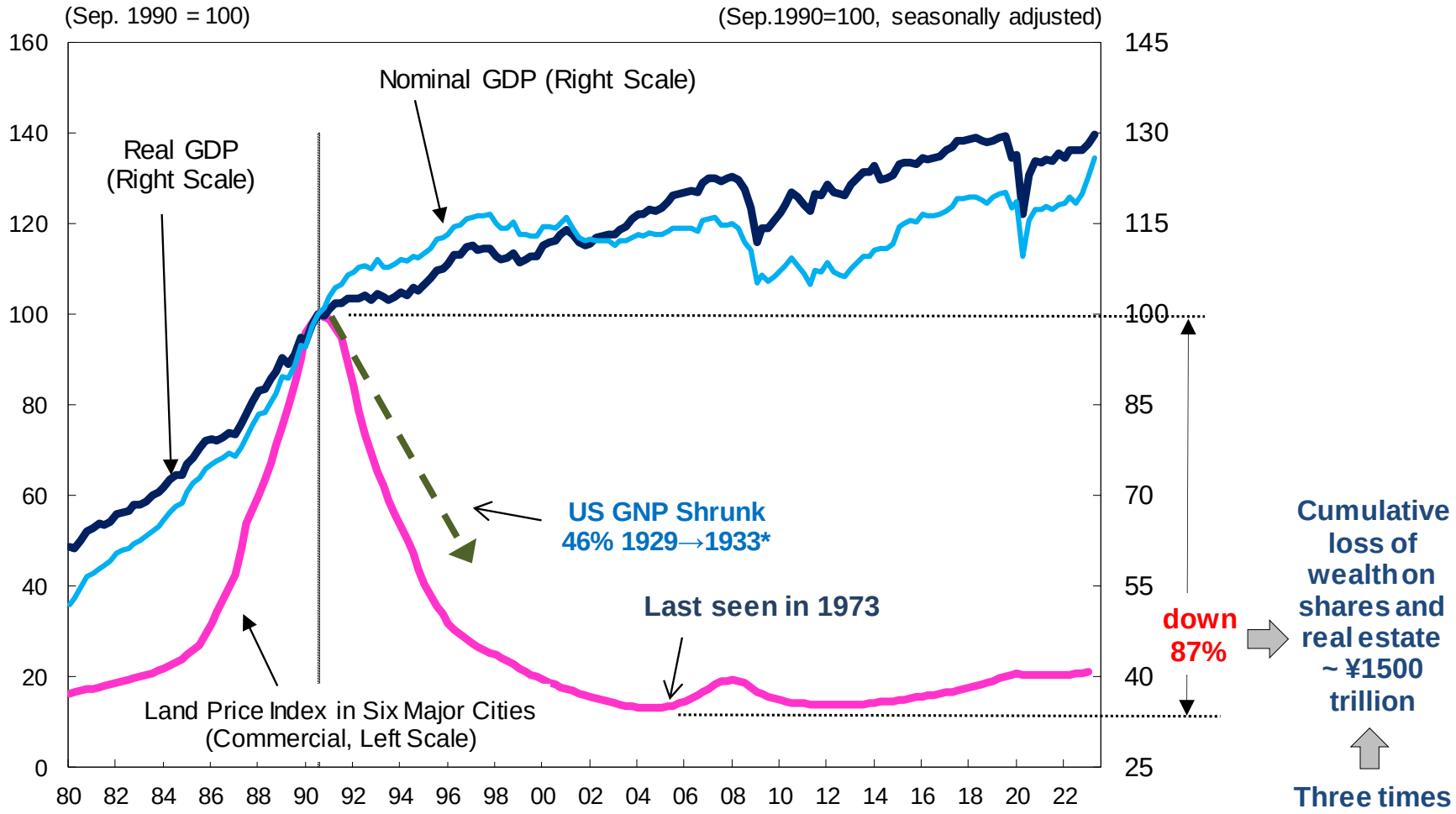
November 2023

Exhibit 1. Japan's Bubble 33 years ago Was Huge



* US sustained loss of wealth equivalent to one year's wealth of 1929 GDP
Sources: Cabinet Office, Japan; Japan Real Estate Institute

Exhibit 2. Post-Bubble Corporate Deleveraging Forced Japanese Government to Borrow

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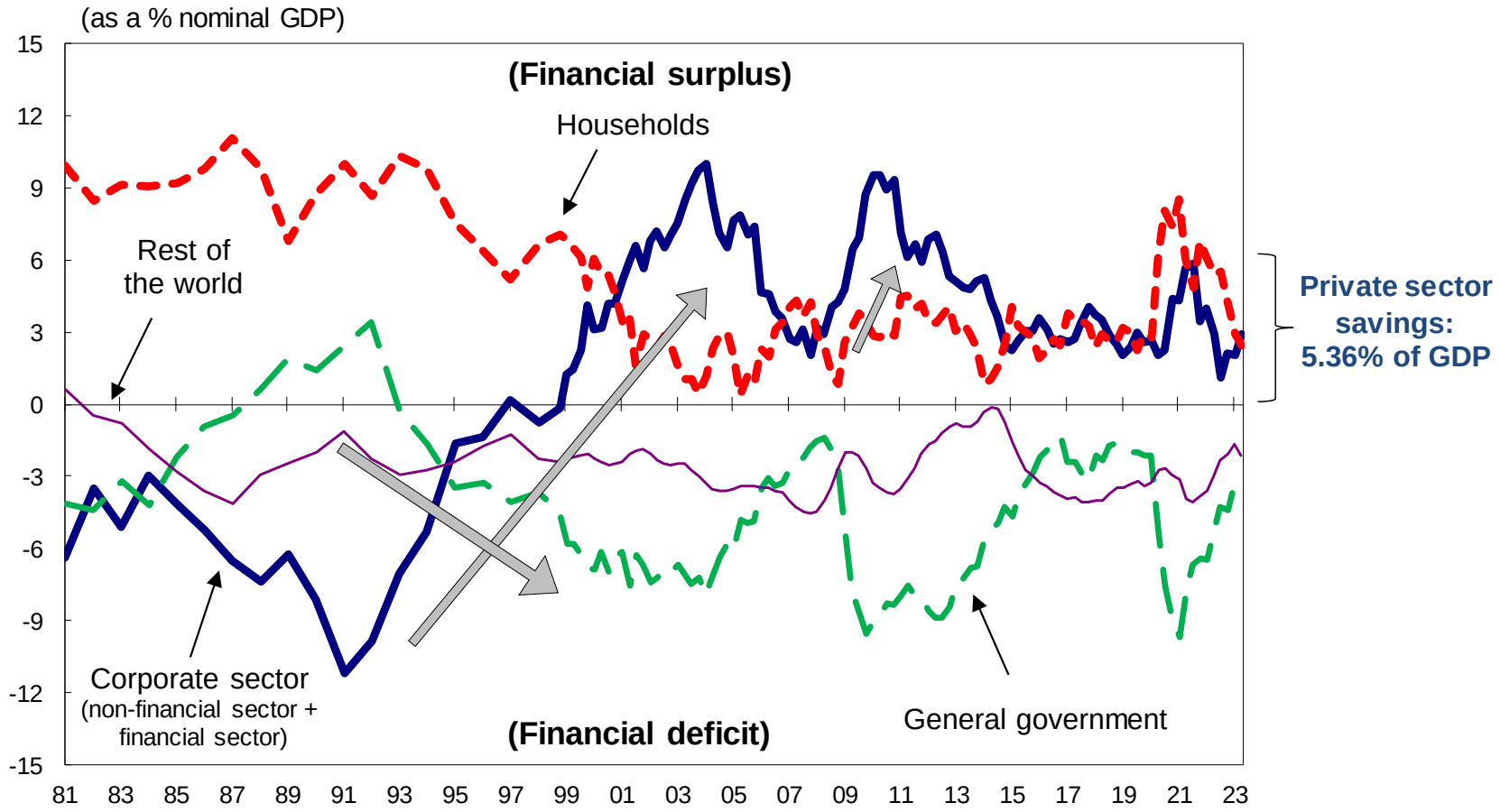
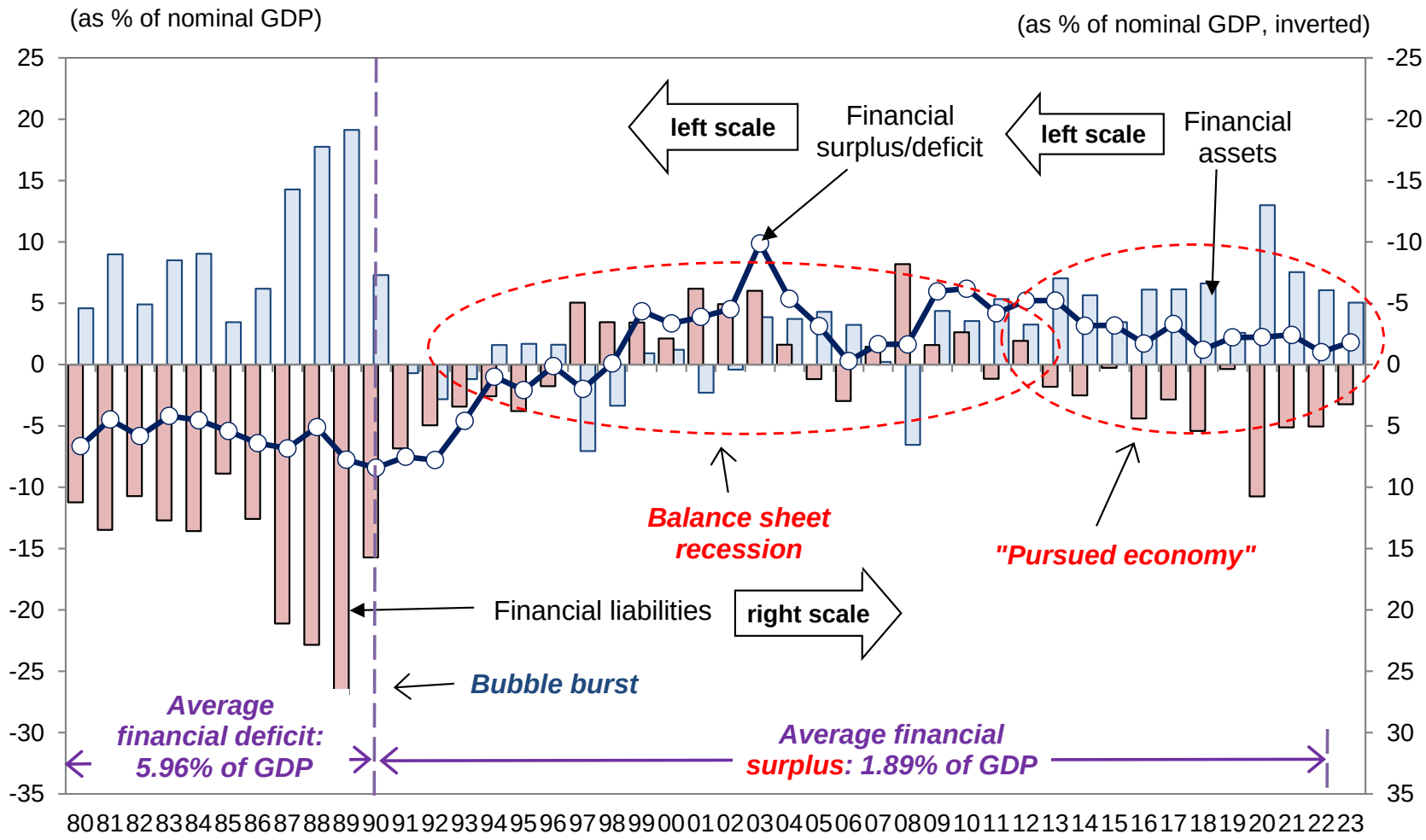
Financial surplus or deficit by sector



Note: All entries are four-quarter moving averages. For the latest figures, four-quarter averages ending in 2023 Q2 are used.
Sources: Bank of Japan, *Flow of Funds Accounts*, and Government of Japan, Cabinet Office, *National Accounts*

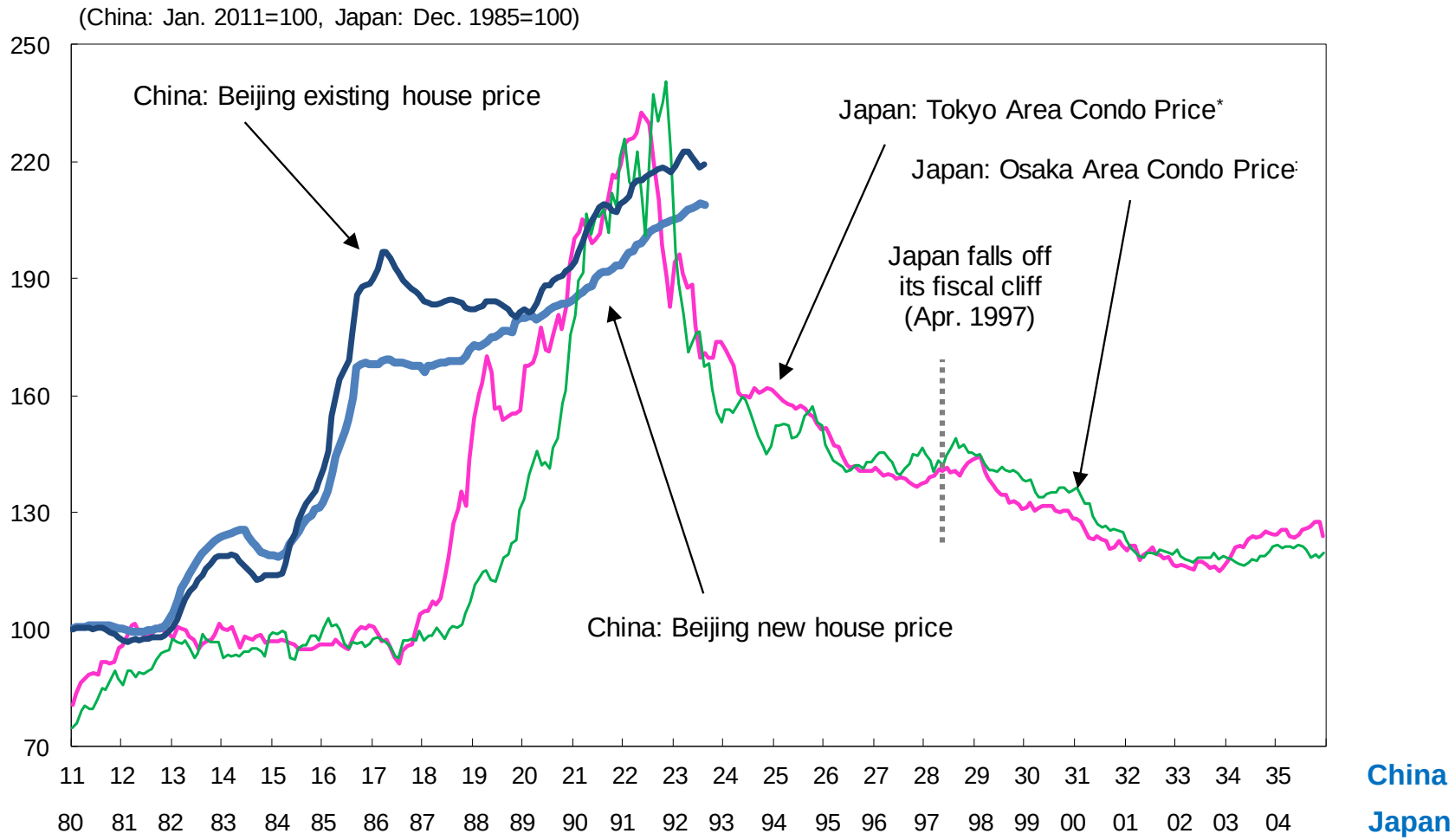
Exhibit 3. Japanese Corporate Sector Had to Repair Balance Sheets for 20+ Years



Note: Figures adjusted for assumption of debt related to Japan National Railways Settlement Corp. and National Forest and Field Service Special Accounts (FY1998) and privatization of postal services (FY2007). Figures for FY2023 are 4-quarter moving averages through Apr-Jun 2023. Average financial surplus/deficit figures are calculated through FY2022

Sources: Bank of Japan, *Flow of Funds Accounts*, and Government of Japan, Cabinet Office, *National Accounts*

Exhibit 4. Recent Beijing House Price Increases Resembling Tokyo/Osaka House Price Increases Three Decades Ago



Note: per m^2, Japan's condo prices in this exhibit are 5-month moving average.
Sources: Nomura Researchi Institute, based on data from Real Estate Economic Institute, Japan; BIS

Exhibit 5. Unlike Post-Bubble Japan and West, China Understands Balance Sheet Recession and How to Respond to It

任正非之忧与辜朝明的发现

韩和元

据中国媒体《第一财经》等近期从多个信源获悉，华为内部论坛8月22日下午上线了一篇关于《整个公司的经营方针要从追求规模转向追求利润和现金流》的文章，署名作者为华为创始人任正非。

在文内，这名中国企业家提到，全球经济将面临着衰退、消费能力下降的情况，华为应改变思路和经营方针，从追求规模转向追求利润和现金流，保证渡过未来三年的危机。“把活下来作为最主要纲领，边缘业务全线收缩和关闭，把寒气传递给每个人。”

在中国，持有这种观点的不独任正非。今年初，网传中国房地产领袖级企业万科董事会主席郁亮，在万科2022年会上的总结发言时强调，目前中国的房地产行业进入缩表出清阶段。他认为，于房地产业而言，今年是背水一战的一年。他要求公司管理层不要再心存幻想，必须要快速、坚决出清。他认为缩表出清于房地产行业而言，就是一场生死之战。

也就是说，在中国，企业投资开始趋于谨慎。之所以出现这种现象，一方面固然是外部环境的恶化，另一方面也与中国日益高企的债务，尤其是企业的债务过高有关。

农历年前，中国央行副行长刘国强曾提到，2021年底中国的宏观杠杆率为272.5%。

当本该募集资金扩大生产的企业，不但不借贷反而开始偿还债务时，整个经济就会从两方面丧失需求：商业机构停止将现金流再投资，企业也不再借用个人储蓄。这种总需求的萎缩，最终会导致经济陷入衰退。

何谓宏观经济杠杆率？是指一国或地区包括政府债务、居民债务、非金融企业债务在内的总债务，与当年国内生产总值（GDP）的比值。

2021年中国的GDP经初步核算为114万亿元人民币（约23万亿新元），由此可倒推出2021年年底中国总债务规模为310万亿元人民币左右。

根据总债务=政府债务+居民债务+非金融企业债务这一公式，先来看看政府债务方面。

据有关可得数据，2020年中国政府部门杠杆率为67.1%。早于2018年时，美国政府债务占GDP的120%、日本238%。这一数字远低于美国和日本。

再来看看居民债务方面，近年来居民债务确实上升较快，毕竟贷款买房、消费贷的数额与日俱增，大家也能感受到到处都是“负债人”。

据中国央行的统计，截至2021年7月，中国居民的负债率已达59%，创下历史新高。2019年时美国的居民负债率为76%、澳大利亚为120%、加拿大为100%、韩国为96%、英国为86%，德国和日本相对低得多，分别为54%、日本58%。也就是说，中国的居民负债率接近于德国和日本的水平。

最后来看看非金融企业债务。相关数据显示，截至2020年年底，中国非金融企业杠杆率为160.7%。

在发达国家中，日本的这项数值为115.6%、美国为84.6%，而全球主要发展中国家鲜有超过70%的。从绝对数上来看，2020年底企业的负债规模，更是达到惊人的168万亿元人民币。由此可见，非金融企业债务，才是拉高中国宏观杠杆率和总债务规模的关键。

经济学家欧文·费雪早在1933年分析当时的金融危机时就指出：当高度负债的个人和商业机构陷入金融困境时，他们通常都会选择卖掉资产用来偿还债务。

确实如此，随着高“杠杆化”所带来的风险，重新为人们所感知和认识时，无论是居民还是企业，首要目标也就从原来的利润最大化，转移到了经济学家辜朝明、企业家任正非所指出的那种负债最小化。

居民、企业纷纷以通过抛售资产、削减各项支出等方式，来努力偿还负债。这时，无论是居民还是企业，都趋于谨慎。事实上在调查中我们也发现，现在很多企业留抵退税后，都选择了“躺平”，它们不愿意扩大投资，有的直接将退回来的钱还给银行。

这种现象也曾发生于日本。辜朝明在“Balance Sheet Recession”（中译《大衰退》）一书里就曾提到，在1995年时，日本的利率已接近于零，但是企业不仅没有增加借贷，反而开始加速还贷。在2002年和2003年，日本的净债务偿还额就上升到每年30万亿日元（约2997亿新元）以上的巨大规模。

当本该募集资金扩大生产的企业，不但不借贷反而开始偿还债务时，整个经济就会从两方面丧失需求：商业机构停止将现金流再投资，企业也不再借用个人储蓄。这种总需求的萎缩最终会导致经济陷入衰退。

辜朝明将这种因修复恶化的资产负债表而导致的衰退，称为资产负债表衰退。

目前，中国企业家开始趋于谨慎的现象，是否说明中国已步入资产负债表衰退，还有待进一步确认。但面对高企的非金融企业杠杆率，中国确实有做好这方面预案的必要。

须要特别指出的是，正如辜朝明所指出，一个经济体一旦陷入资产负债表衰退，包括降息在内的货币政策，通常都是无效的。

作者是广州大学南方治理研究院特聘研究员

Source: 韓和元 (Han He Won),”任正非之忧与辜朝明的发现 (Ren Zhengfei‘s Worry and Richard Koo’s Discovery),” 联合早报 (Lianhe Zaobao), September 7, 2022, p.19

Exhibit 6. Chinese Companies Have Been Reducing Borrowings *long before* Bubble Burst, Forcing Government to Borrow

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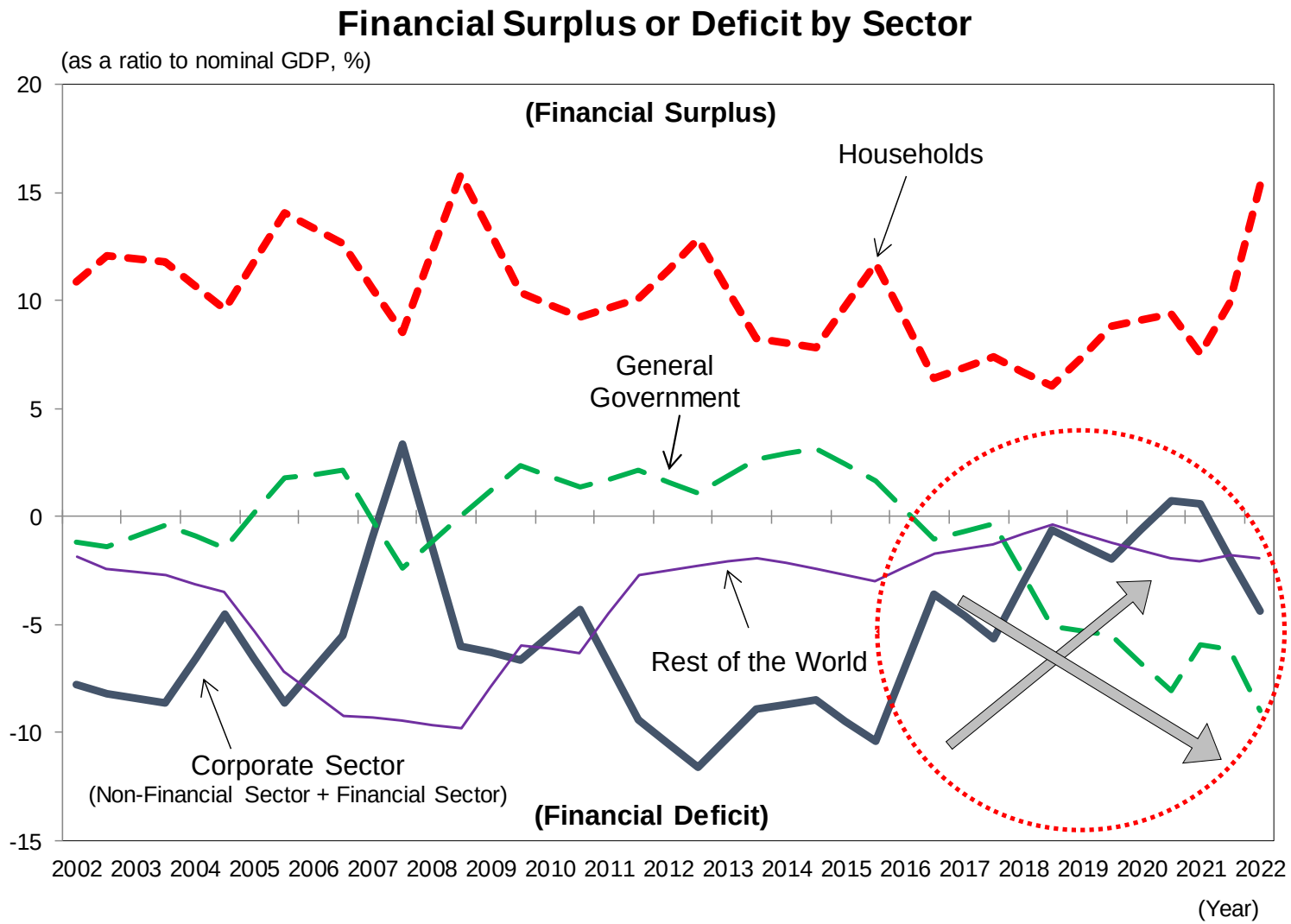

Source: Nomura Research Institute, based on the data from National Bureau of Statistics China and People's Bank of China

Exhibit 7. Reasons for Less Borrowing and Investment (I): Middle Income Trap

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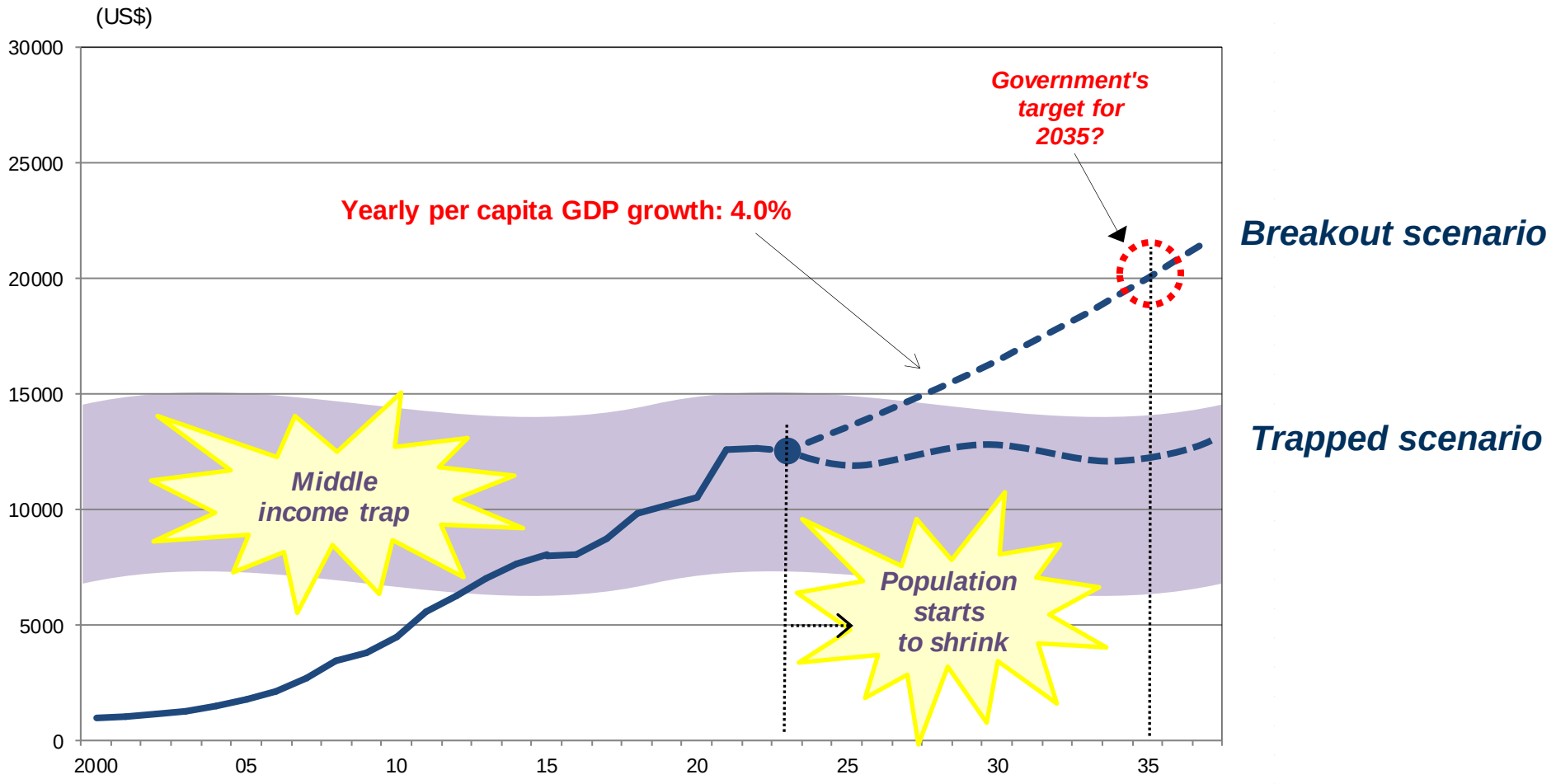
China's Per-Capita Income



Source: Nomura Research Institute, based on data from IMF, *World Economic Outlook October 2023*

Exhibit 8. Reasons for Less Borrowing and Investment (II): Population Decline

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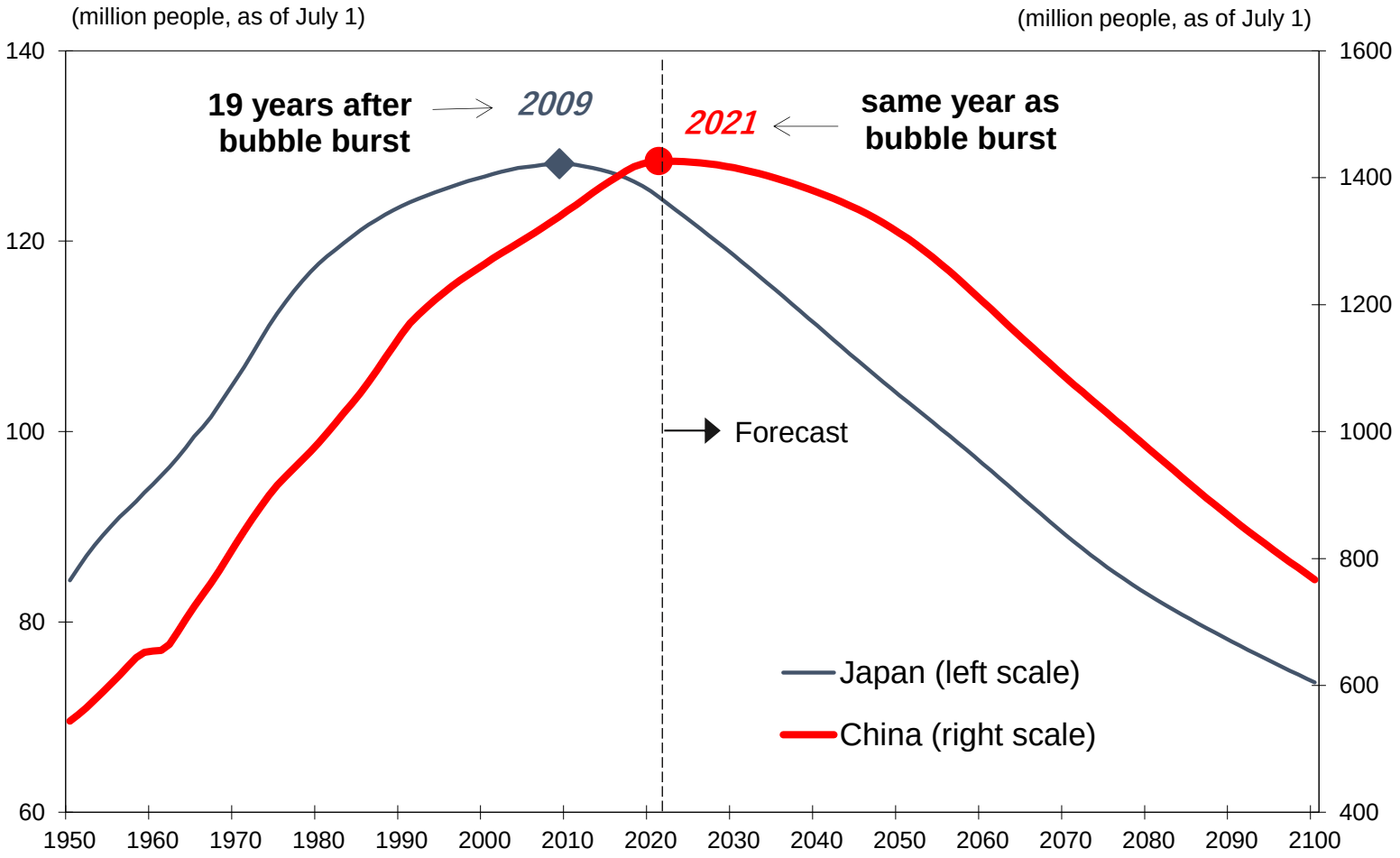
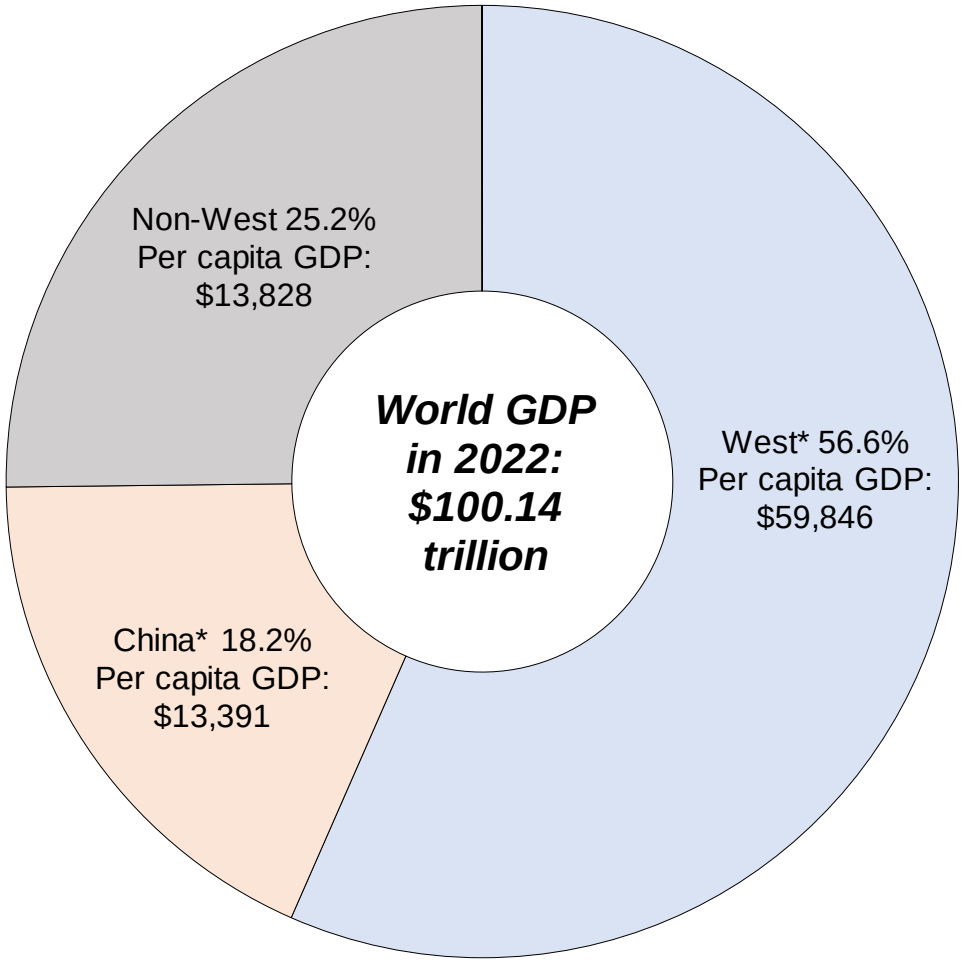
Total population in China and Japan, actual and forecast



Source: United Nations, Department of Economic and Social Affairs, Population Division (2022). World Population Prospects 2022, Online Edition.

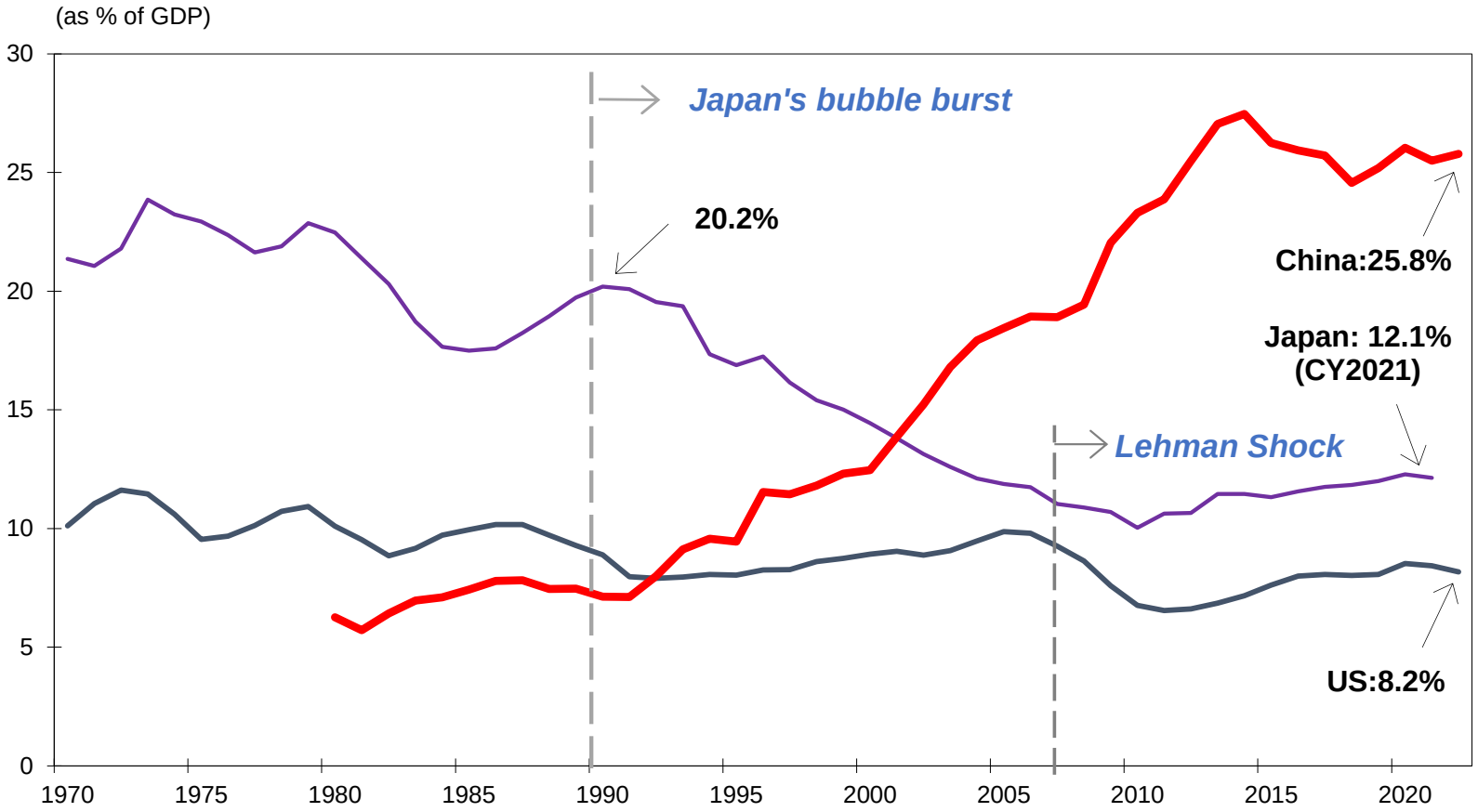
Exhibit 9. Reasons for Less Borrowing and Investment (III): Geopolitical Tensions with West



* "West" consists of European Union 27 countries, Australia, Canada, Japan, South Korea, New Zealand, Norway, Switzerland, UK and US. "China" consists of Mainland China, Hong Kong and Macao. "Per Capita GDP" is weighted average (by GDP) of per capita GDP in each group.
Source: Nomura Research Institute, based on data from IMF's World Economic Outlook Database in October. 2023.

Exhibit 10. Weakness in Construction Sector Will Have far bigger Impact on Economy in China than in the US or Japan

Construction sector as a percentage of GDP in Japan, US, and China



Note: Figures for Japan and US represent construction sector output in GDP data (before deducting intermediate inputs) divided by nominal GDP; figures for China are gross output value of construction divided by nominal GDP. Latest Japanese data are from 2021, while latest data for US and China are from 2022.
Source: Nomura Research Institute, based on Cabinet Office's National Account Statistics, US Bureau of Economic Analysis, National Bureau of Statistics of China, and CEIC Data

Exhibit 11. China Faces Far More Challenges in 2023 than Japan Did in 1990

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Japan's challenges in 1990

1) Bursting of the asset price bubble and subsequent balance sheet recession

2) US-Japan trade friction

China's challenges in 2023

1) Bursting of the asset price bubble and subsequent balance sheet recession

2) Construction recession

3) Businesses reducing borrowing and investment since 2016

- Middle income trap
- Regulatory tightening and uncertainty in real estate, financial, IT and education sectors
- Population decline
- Reduced financial resources for businesses, regional governments and households due to Covid 19 lockdowns
- Geopolitical confrontation with the West ⇦ **China may be making a U-turn after the Xi-Biden Summit**

Appendix A-1

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