

The Fundamentals of Economic Growth in China

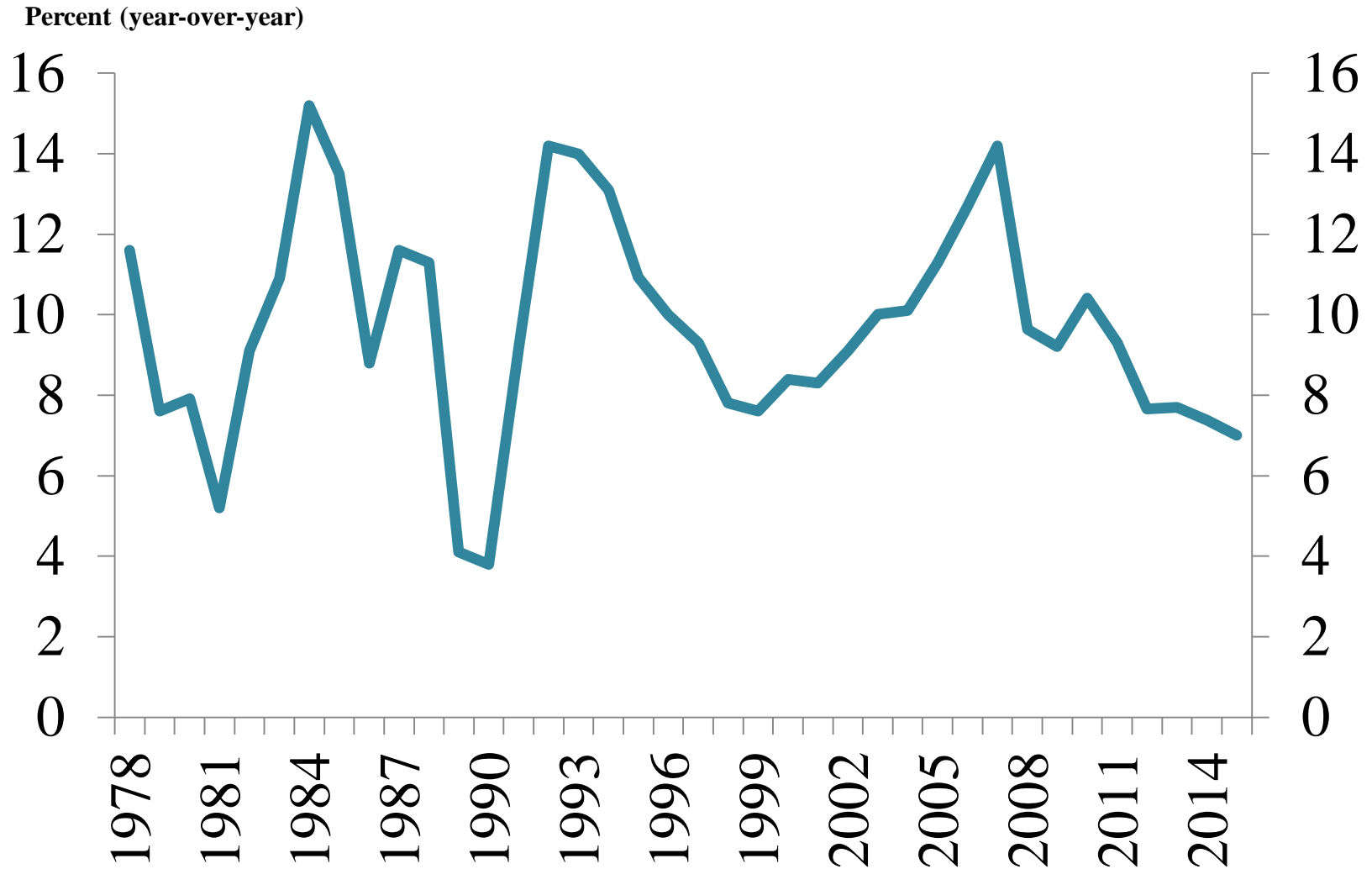
Global Economic Prospects

Peterson Institute for International Economics

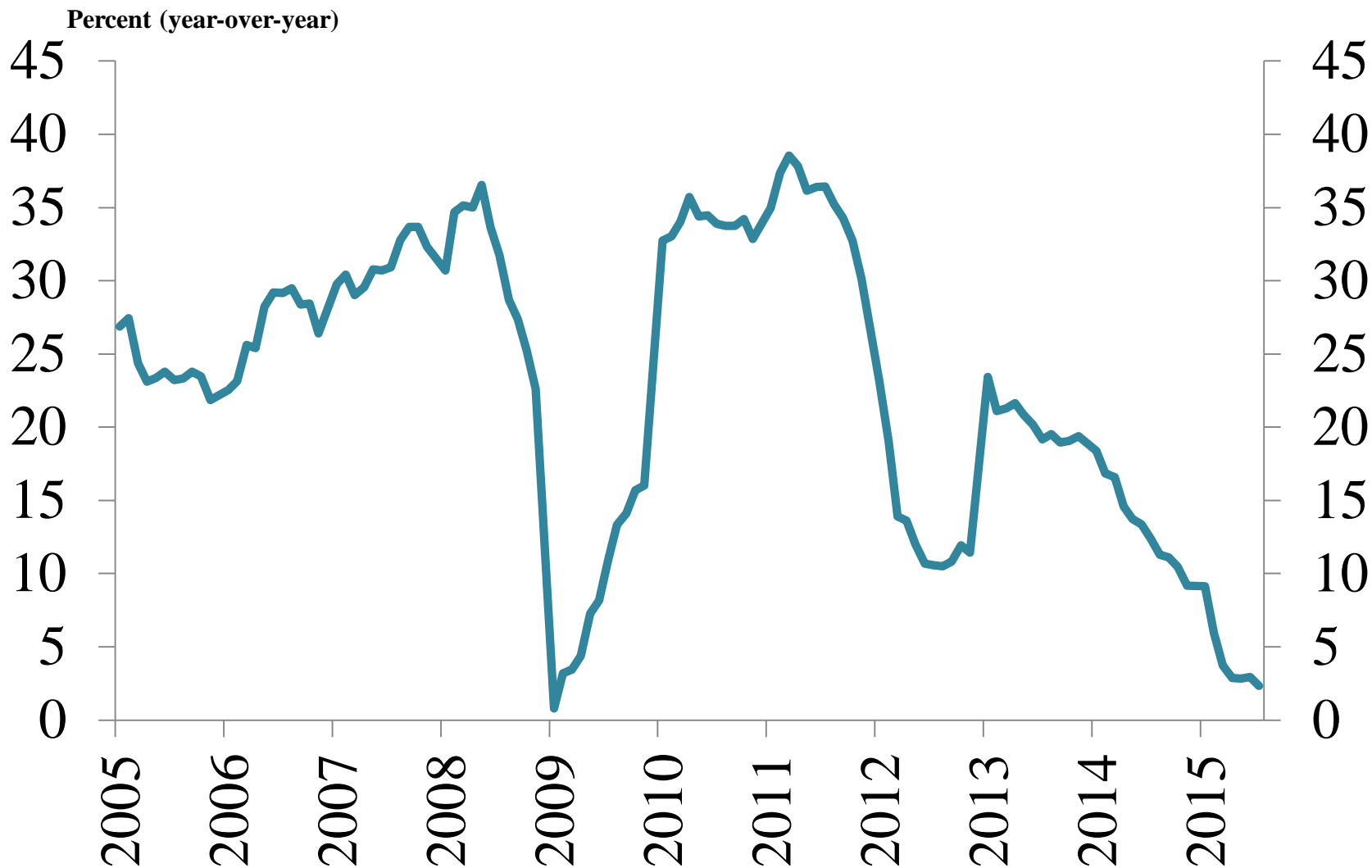
October 1, 2015

Nicholas R. Lardy
Anthony M. Solomon Senior Fellow

Real GDP Growth, 1978 – 1H 2015

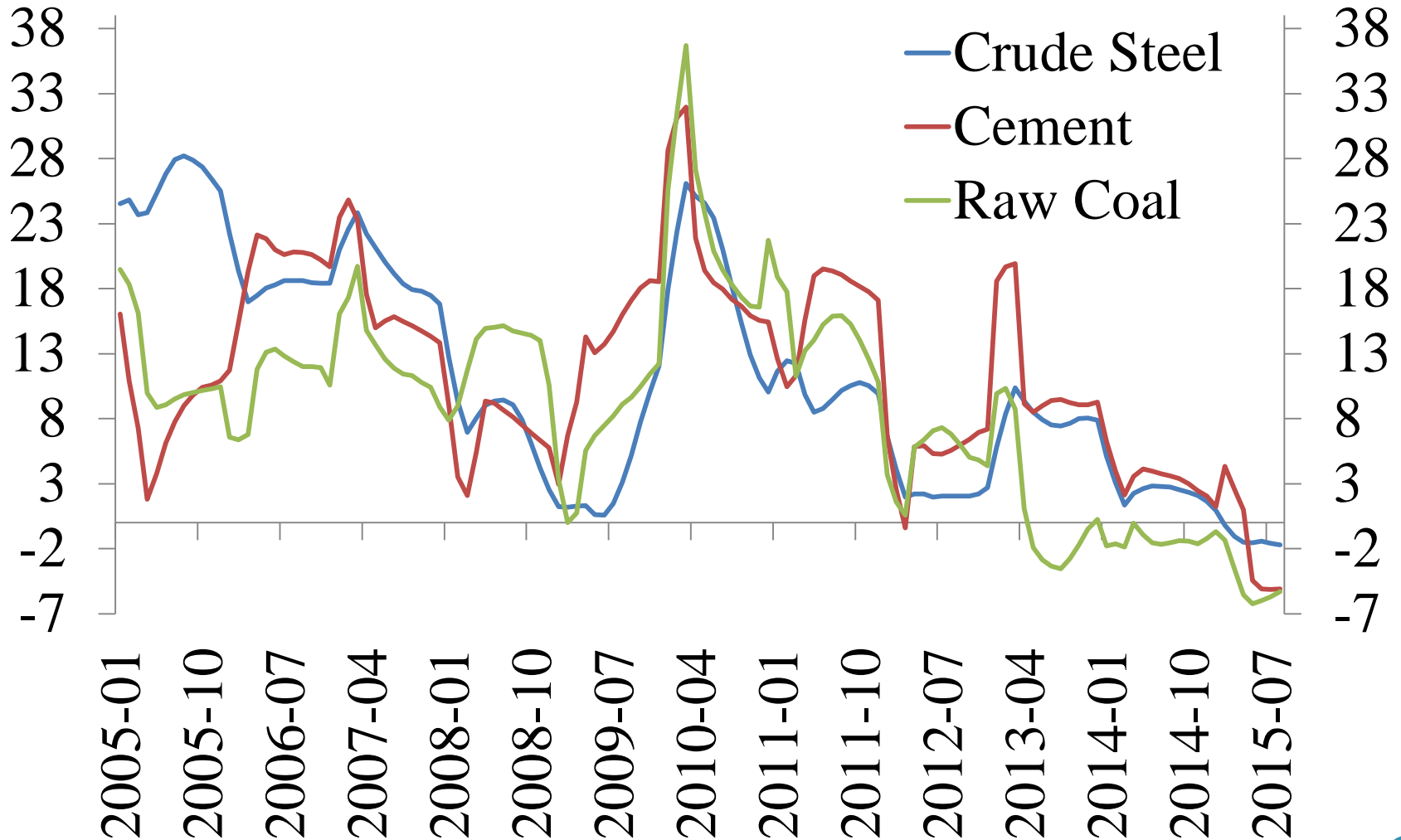


Growth in Property Investment, Feb 2005 – Aug 2015

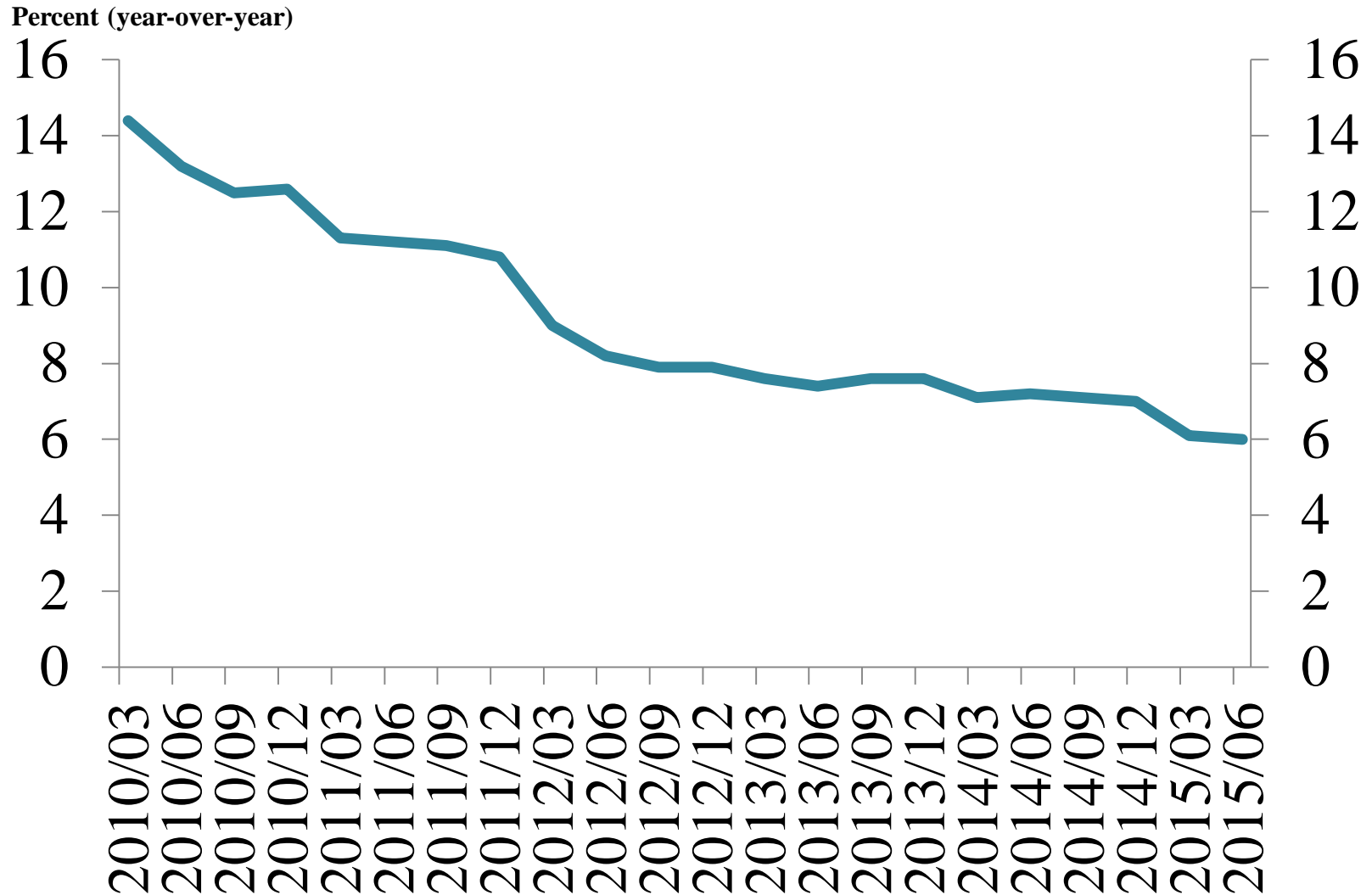


Decline in Output of Industrial Products

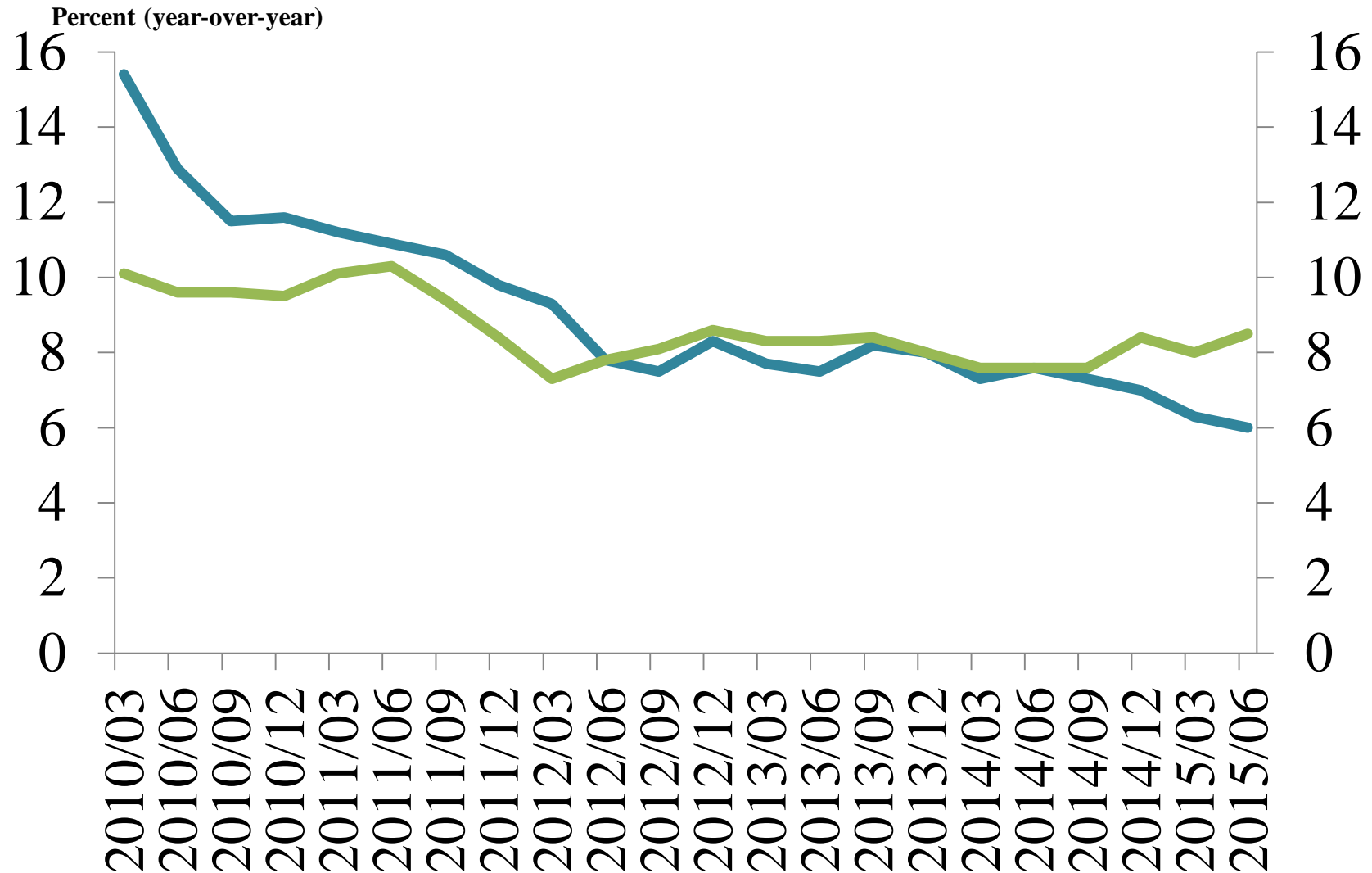
Percent (year-over-year)



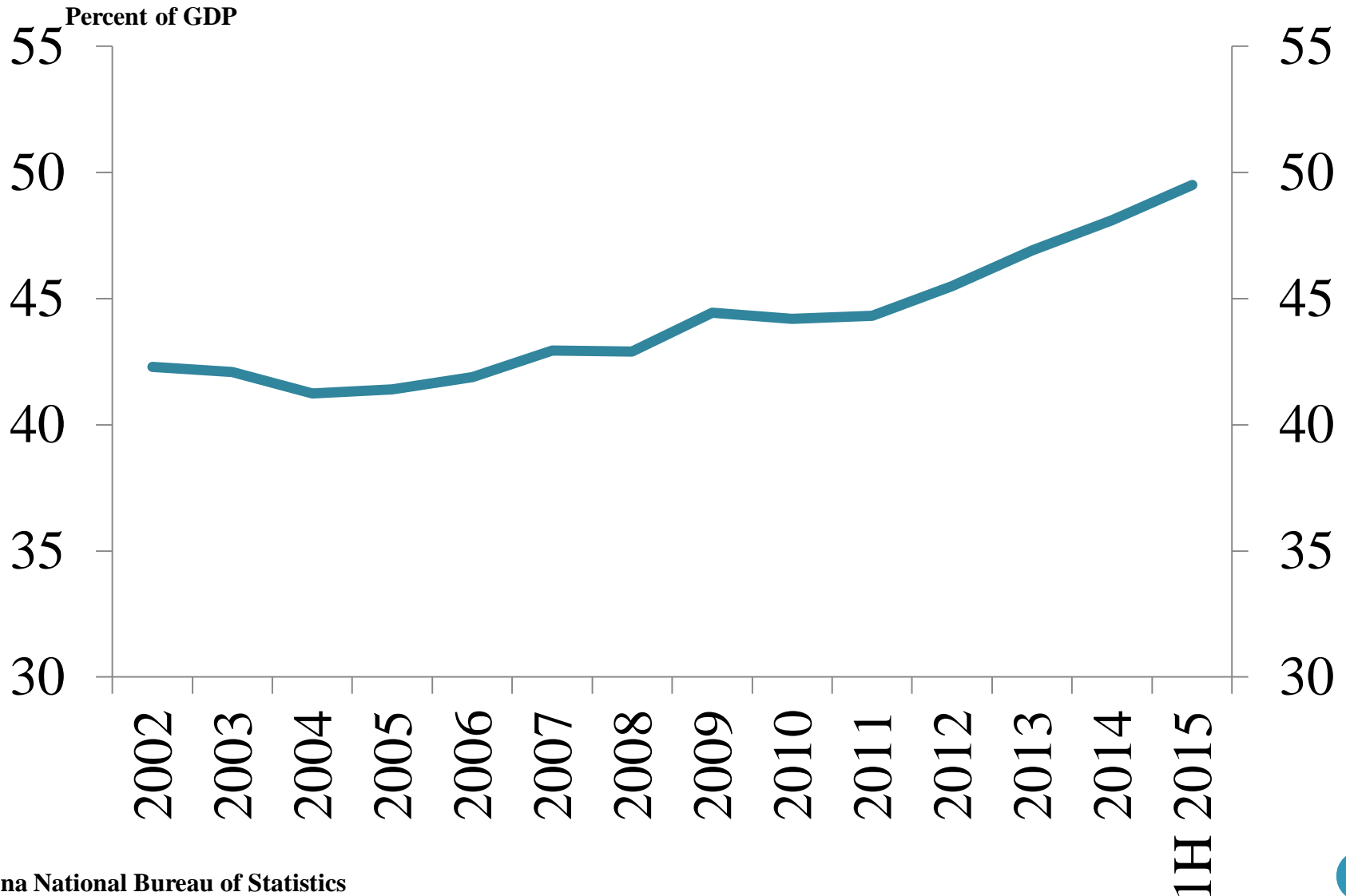
Industrial Growth, 1Q 2010 – 2Q 2015



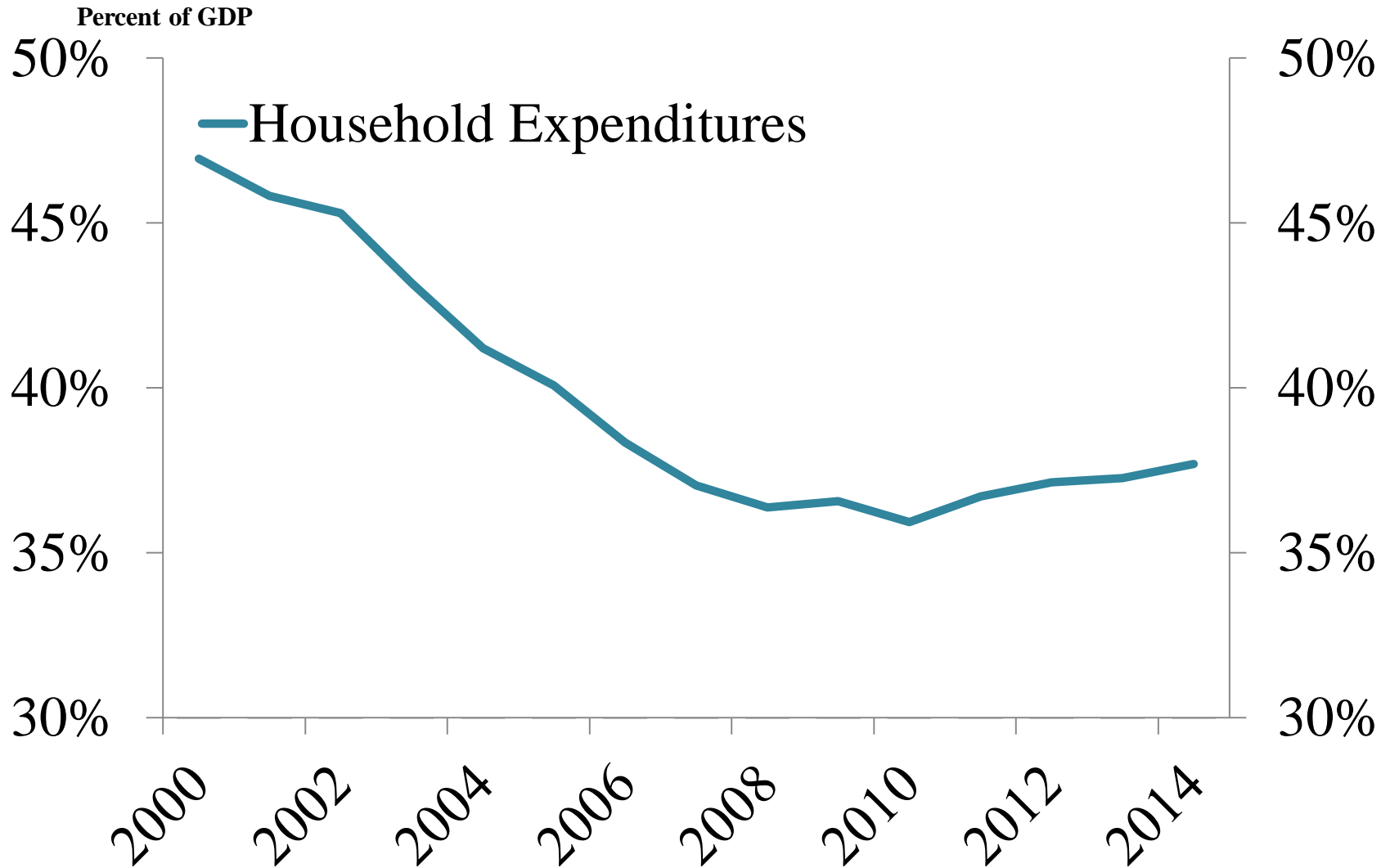
Growth of Industry/Construction and Tertiary Industry, 1Q 2010 – 2Q 2015



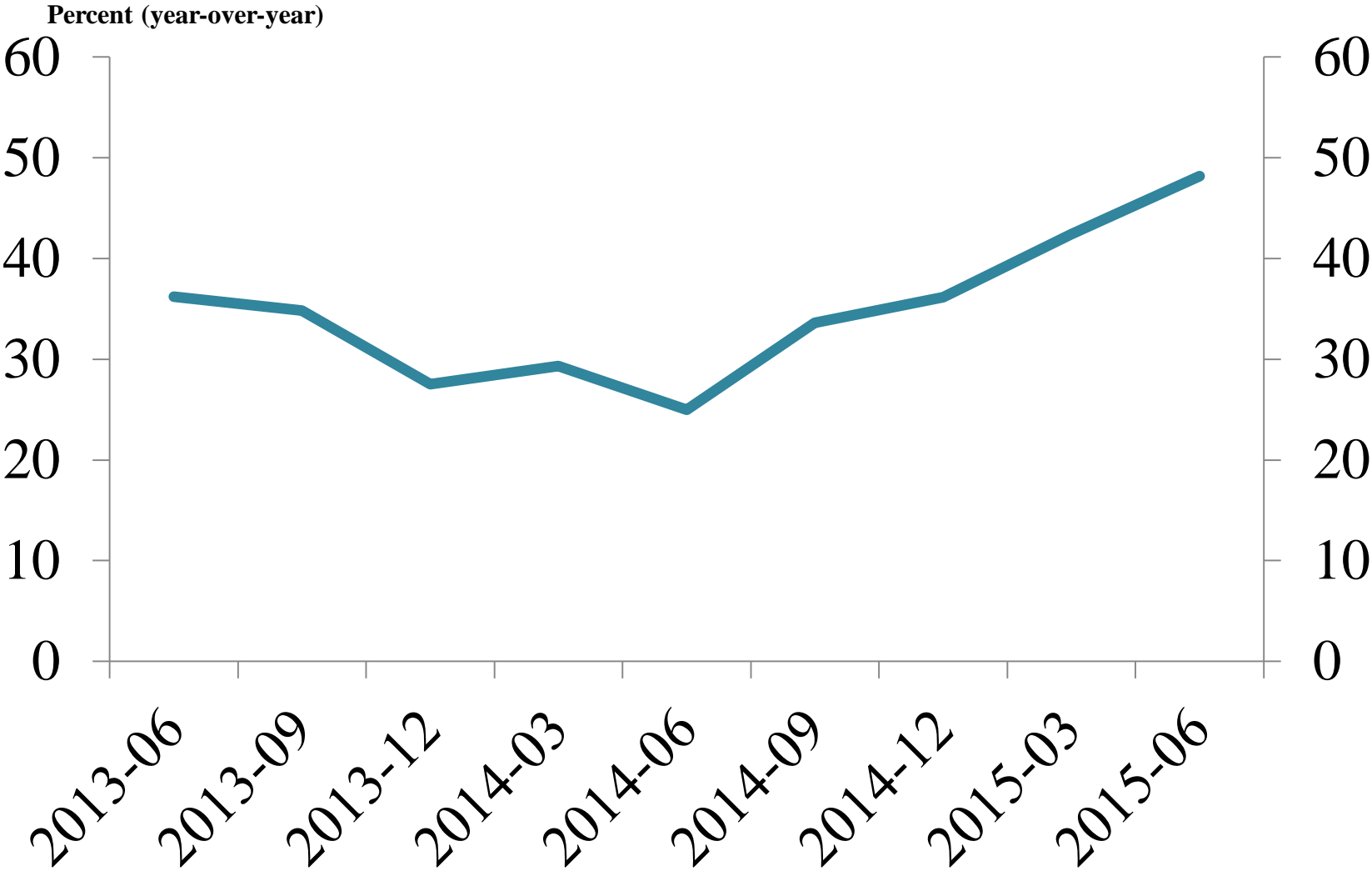
Share of Tertiary Industry, 2002 – 1H 2015



Private Consumption Growth

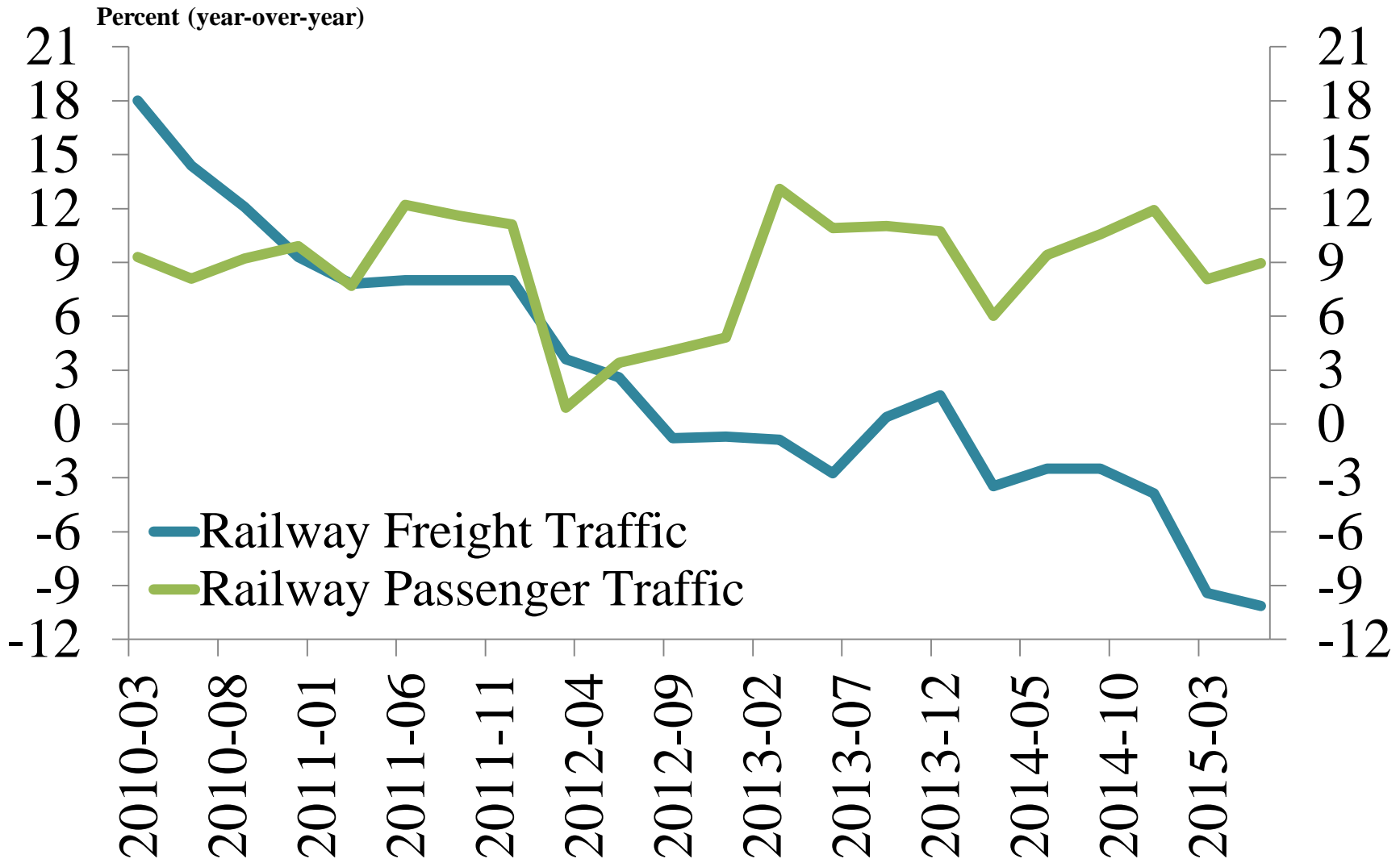


Movie Box Office Revenue Growth, 1H 2013 – 1H 2015

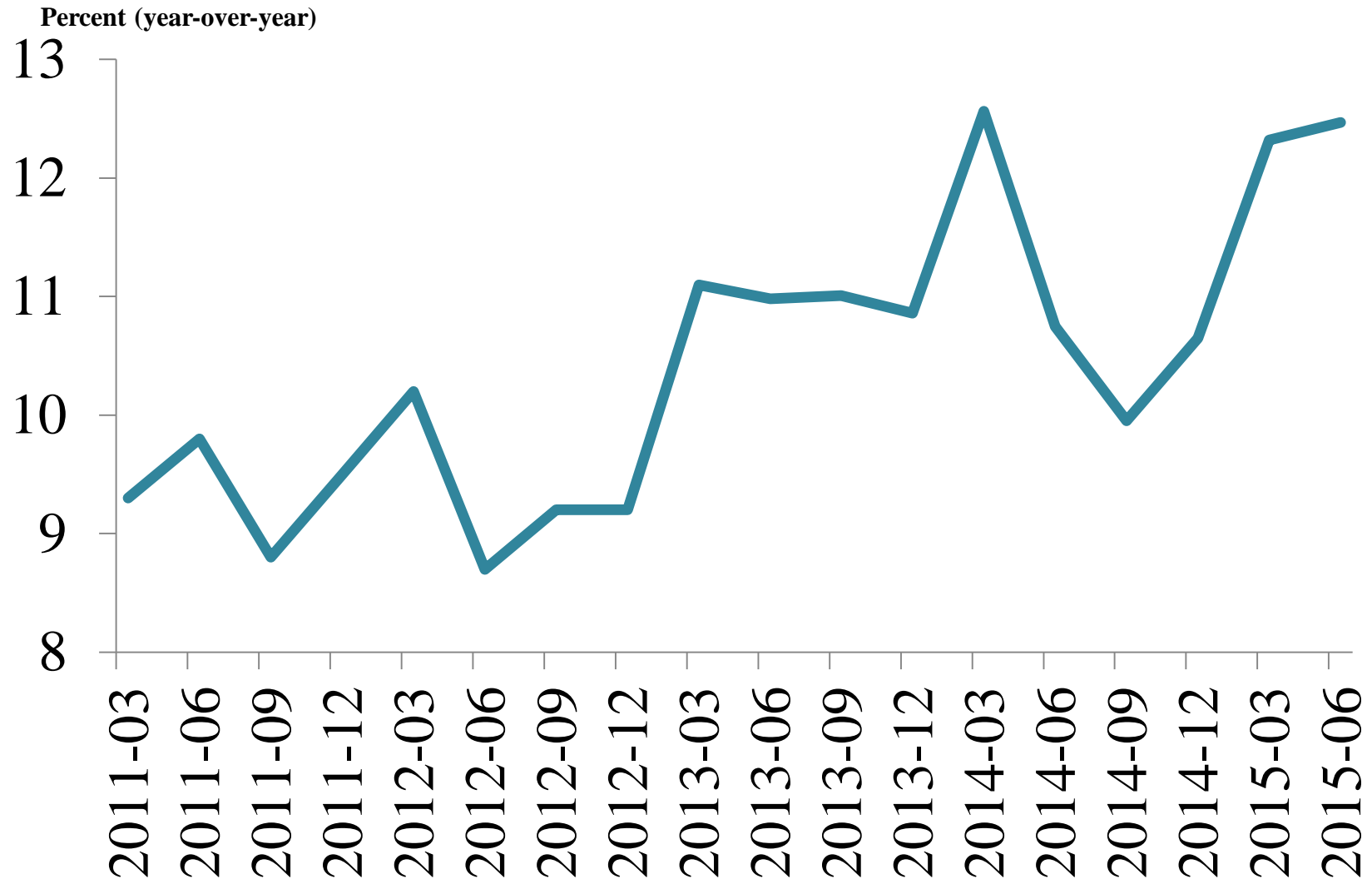


Source: State Administration of Press, Publication, Radio, Film and Television

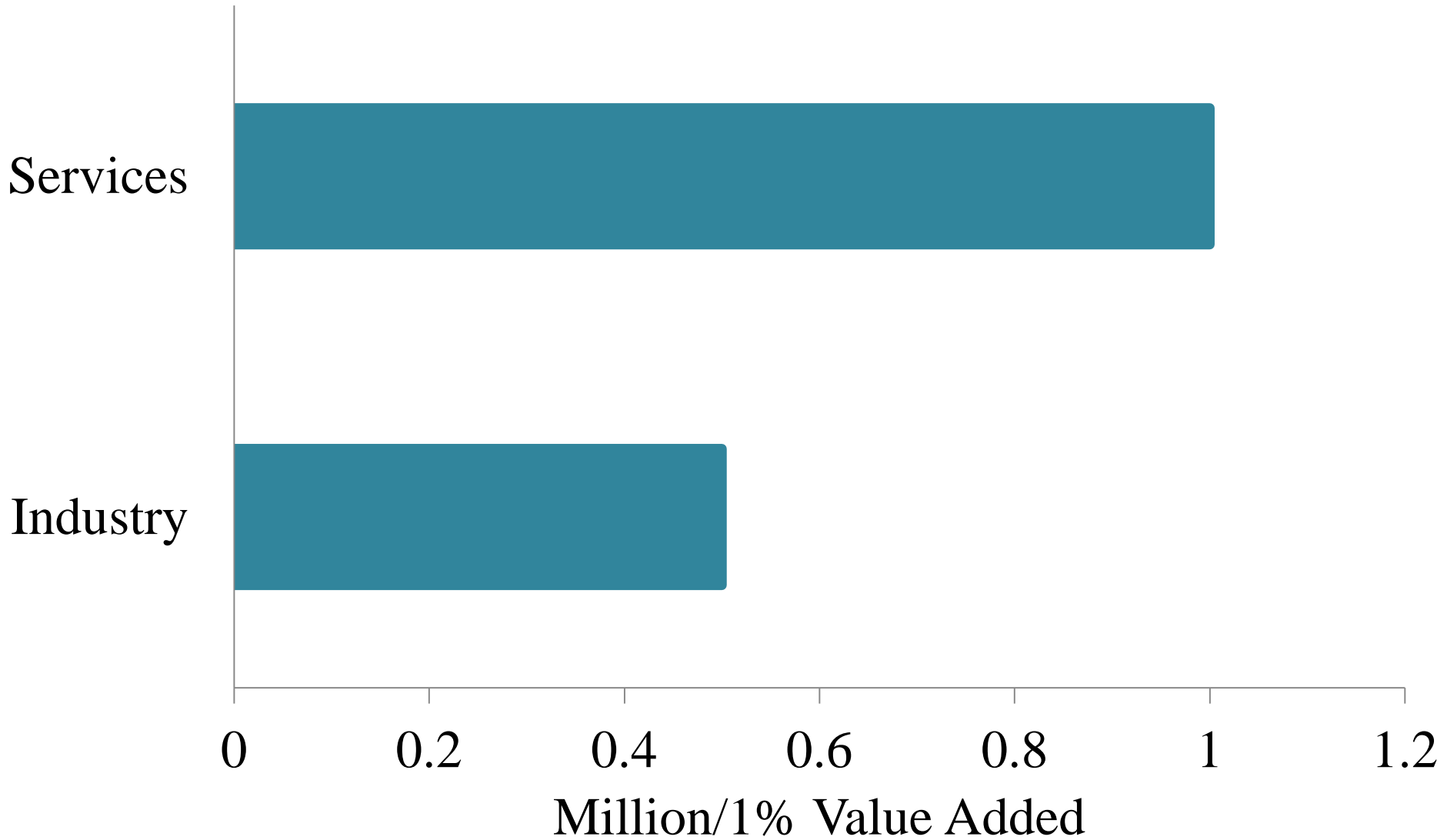
Railway Freight and Passenger Traffic Growth, 1Q 2010– 2Q 2015



Civil Aviation Passenger Traffic Growth, 1Q 2011 – 2Q 2015



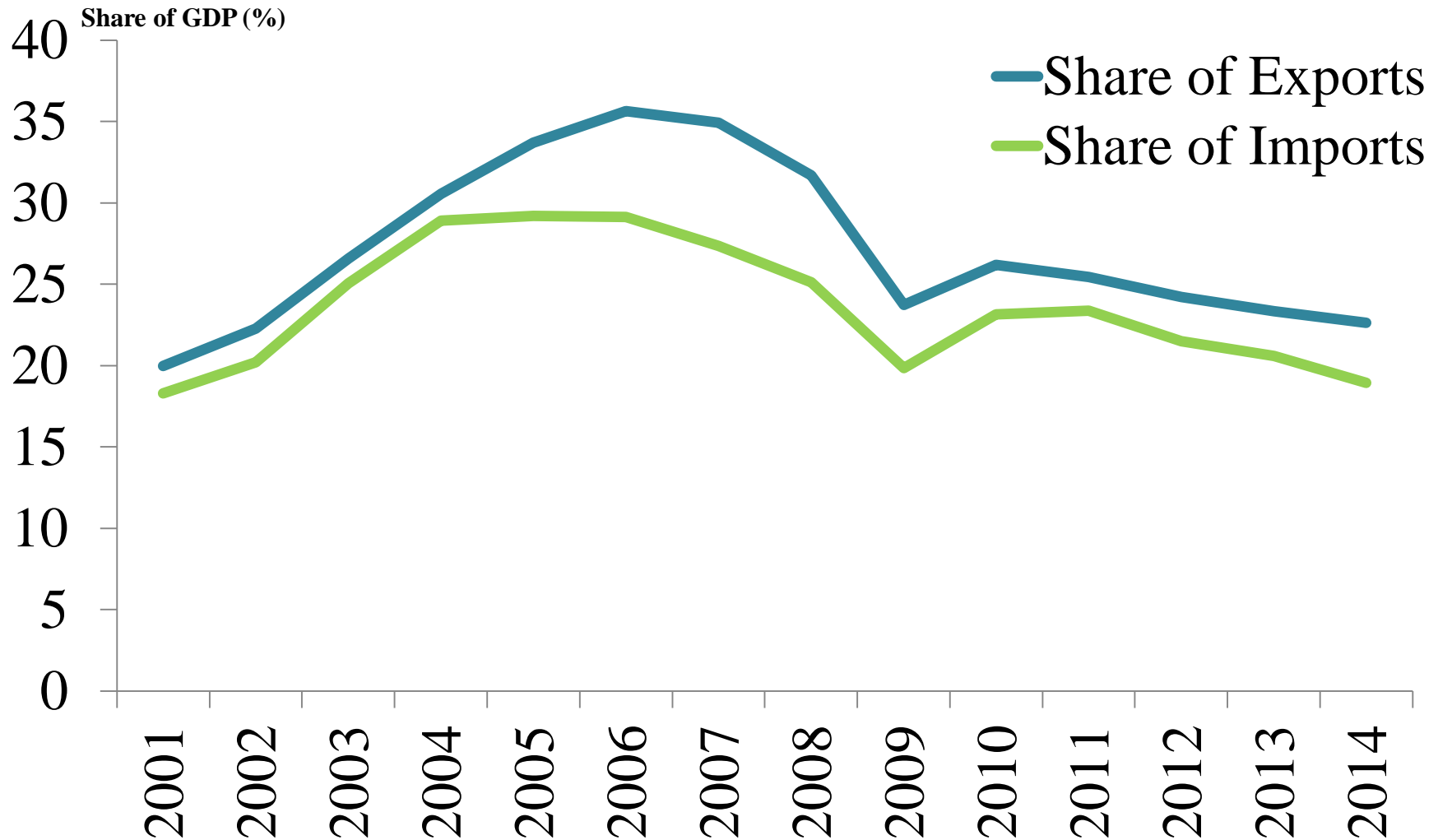
Job Creation Comparison



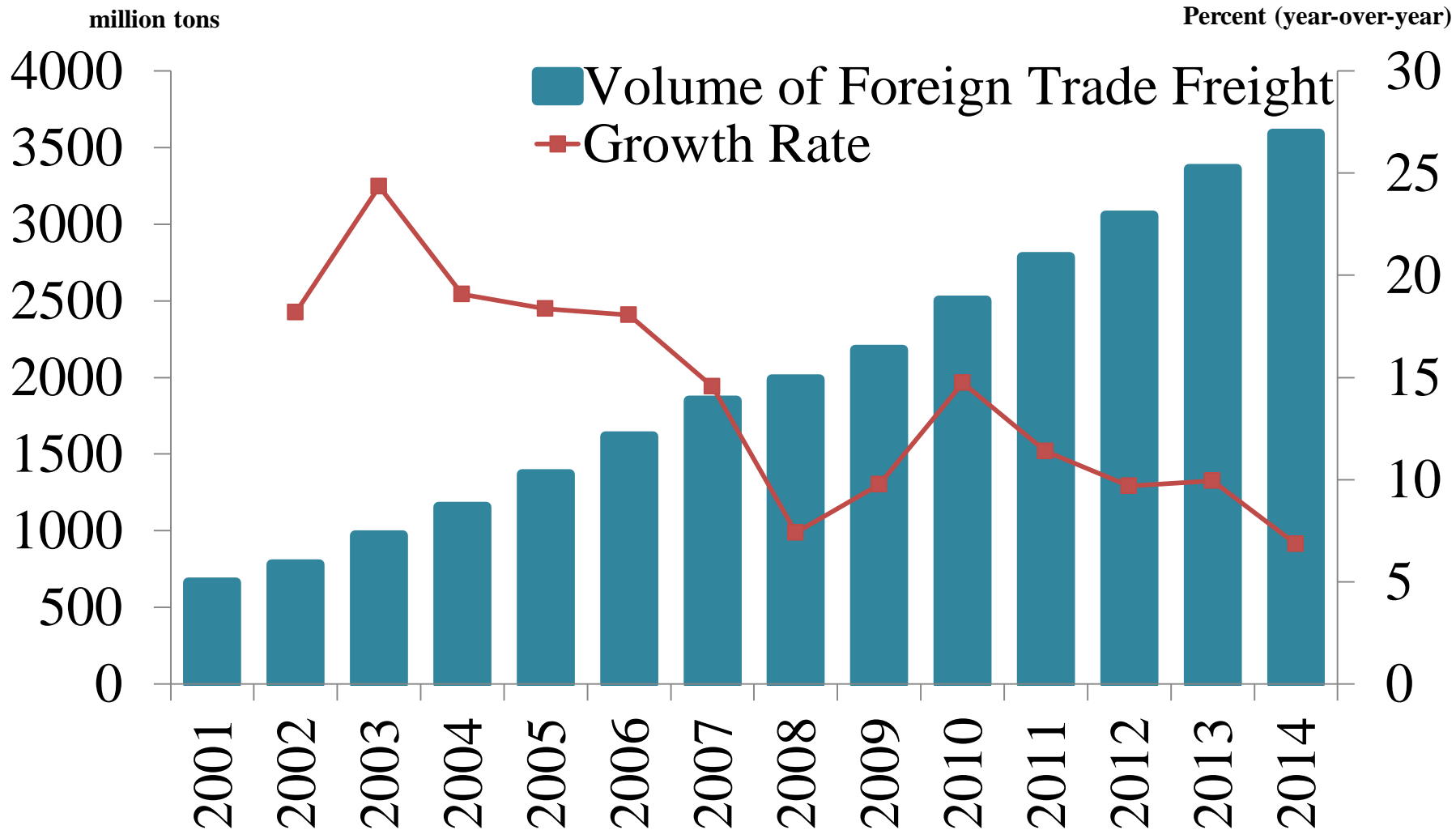
Employment Increase in Non-agriculture, 2003 – 2014



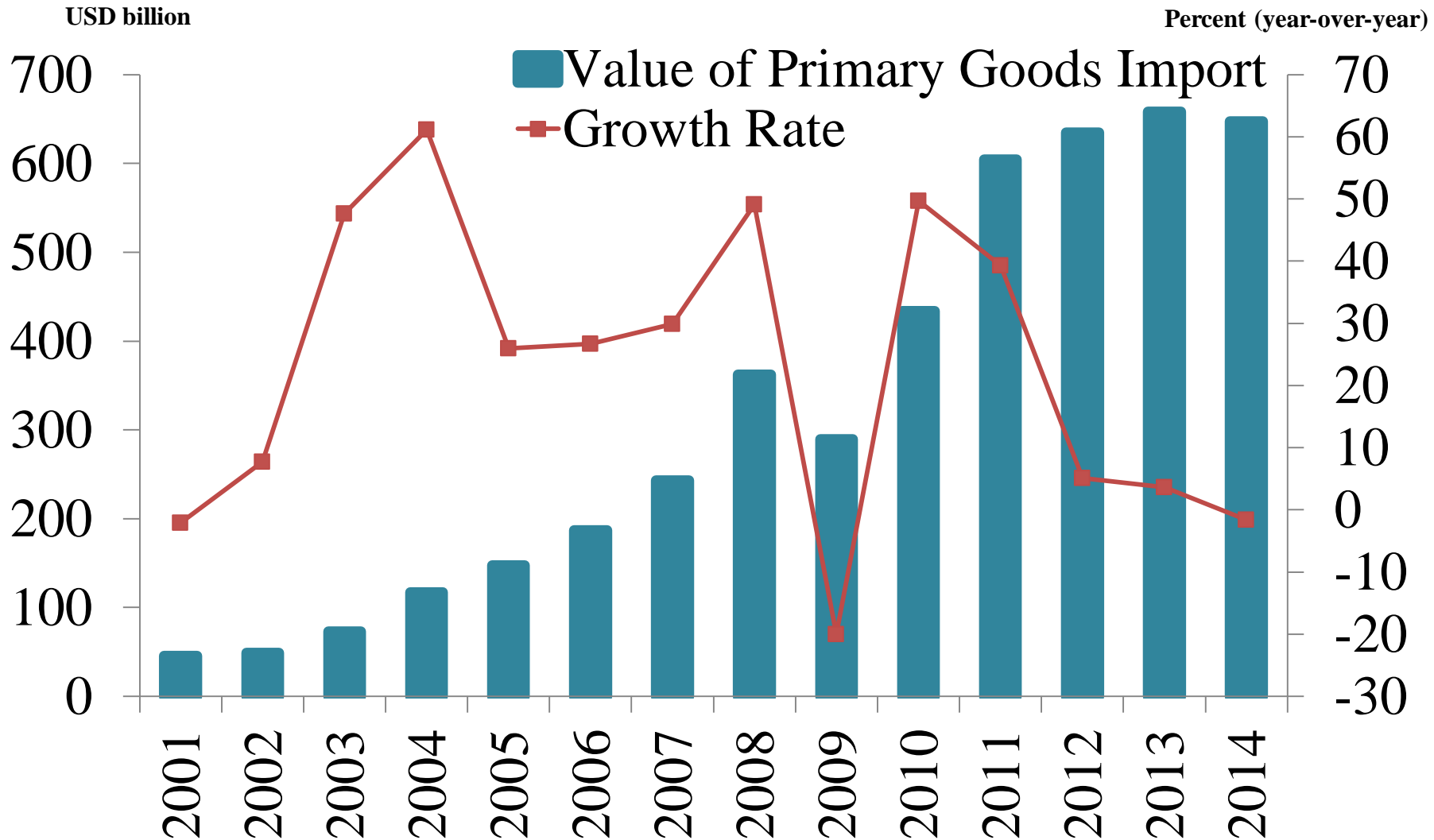
Imports and Exports, 2001 – 2014



Volume of Foreign Trade Freight Handled in Main Ports, 2001 –2014



Value of Primary Goods Import, 2001 –2014



Takeaways

- China's growth is slowing, but the 3-4% range seen by many is not plausible
- China's transition to growth driven by consumption and services is underway
- Tracking this transition in real time will be difficult until China releases more frequent and more disaggregated services data
- This transition will have substantial implications for China's contribution to global trade and economic growth