

Chinese Economy's “New Normal“ and The 13th Five-Year Plan (2016-2020)

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CONSULAT GENERAL DE CHINE A MONTREAL**



I. The 18th National Congress of CPC

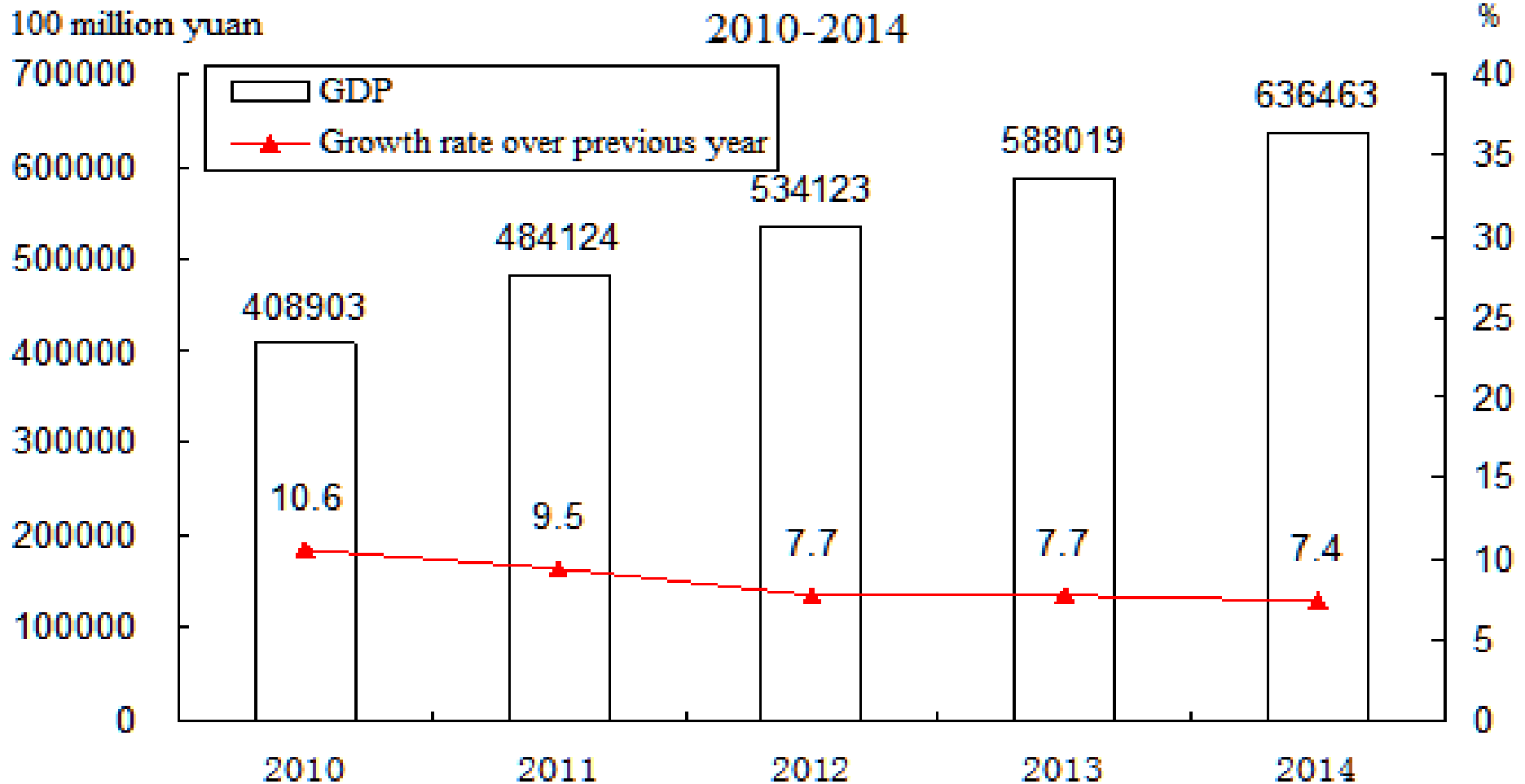


Mr. XI' s broad governance blueprint

- "Chinese dream" of national rejuvenation
- The socialism with chinese characteristics
- The "Four Comprehensives" strategic layout:
 - *Build a moderately prosperous society
 - *Deepen reform
 - *Govern the country according to law
 - *Enforce strict party discipline

II. The economy

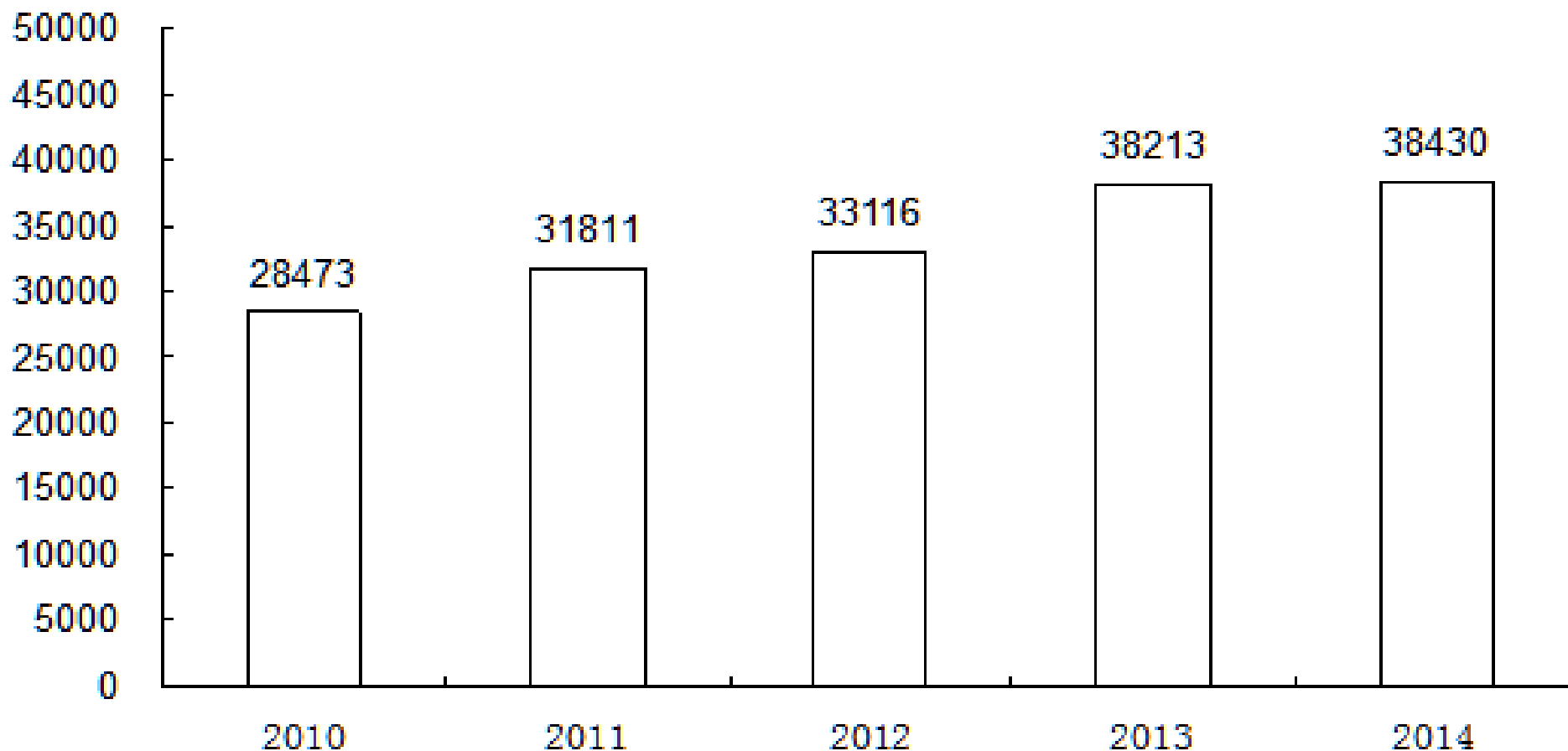
Figure 1: Gross Domestic Product and the Growth Rates



The foreign exchange reserves

Figure 7: Year-end China's Foreign Exchange Reserves
2010-2014

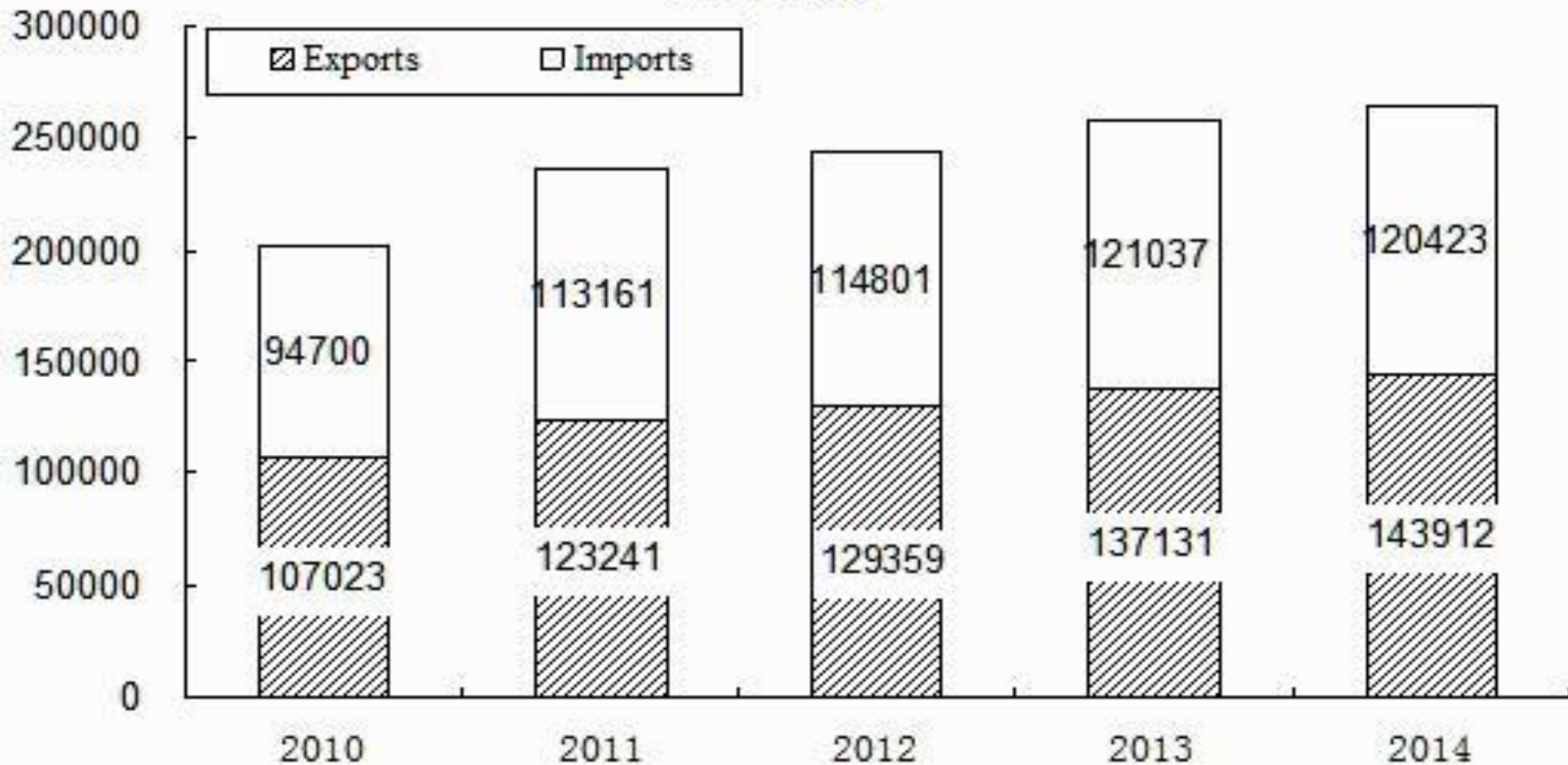
100 million USD



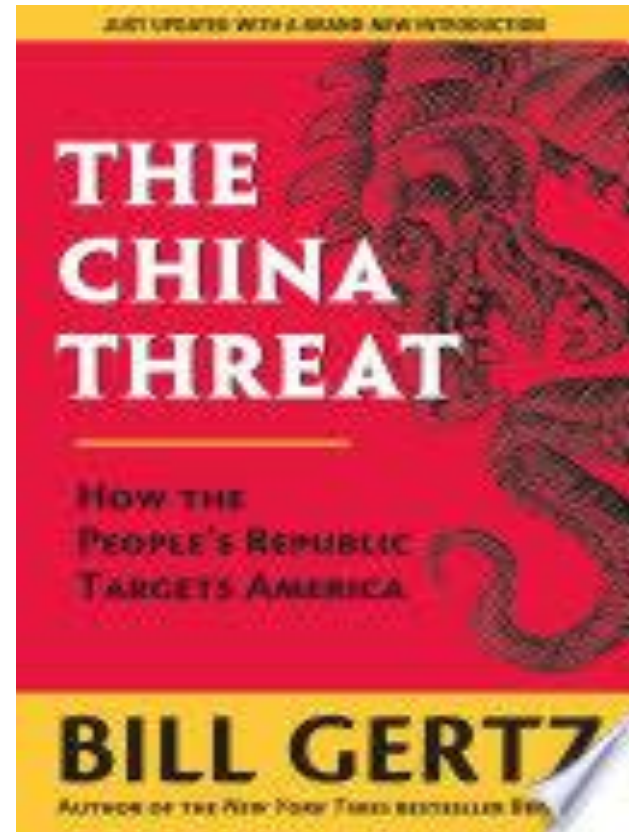
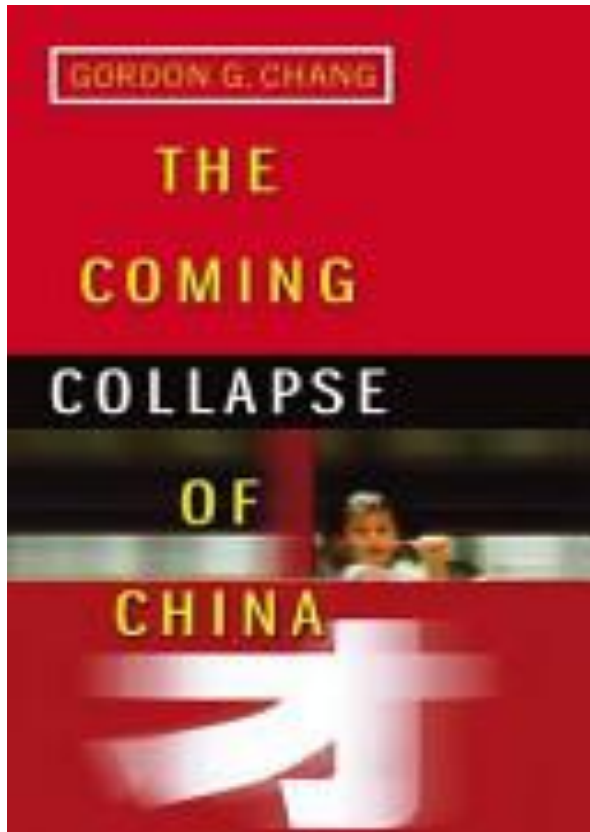
The imports and exports

Figure 13: Imports and Exports of Goods
2010-2014

100 million yuan



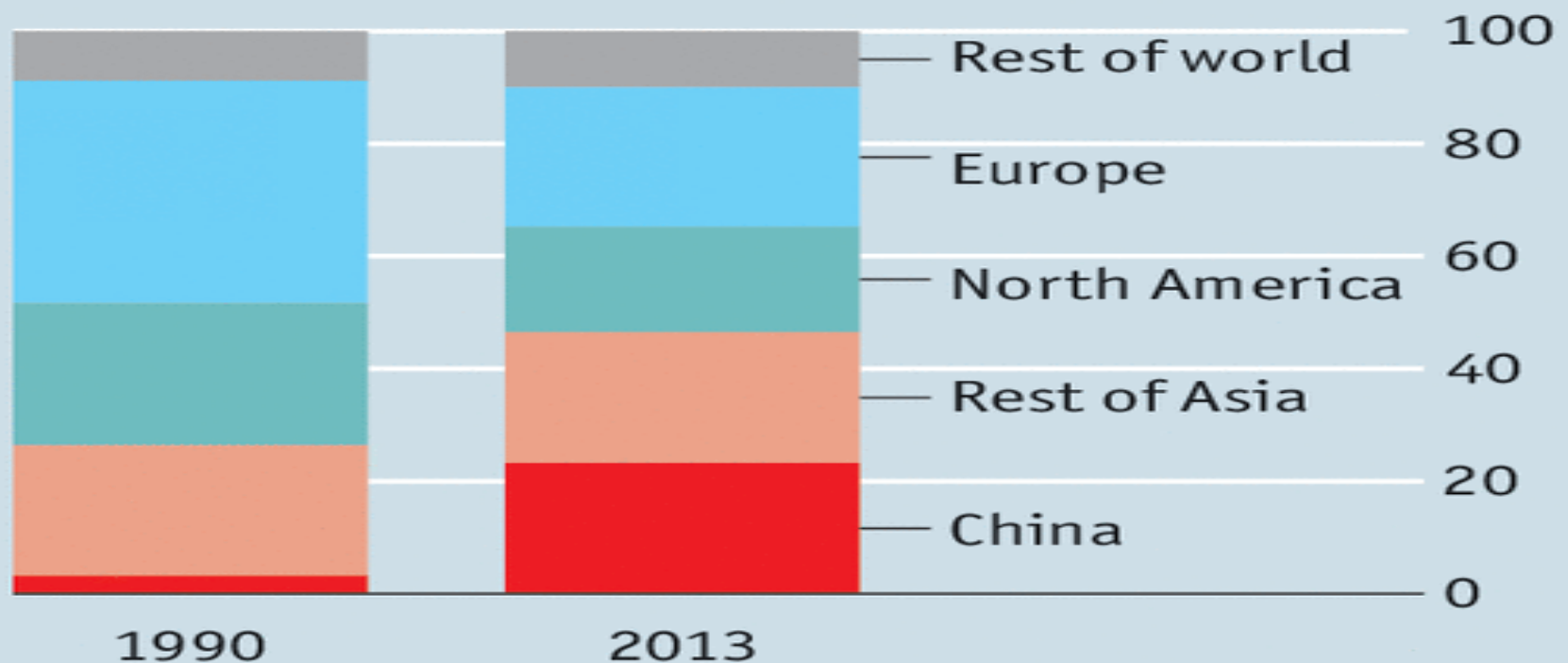
Chinese collapse ???



<The Economist>: Rising Chinese wages will only strengthen Asia's hold on manufacturing

Progress, made in Asia

Manufacturing output
As % of global total

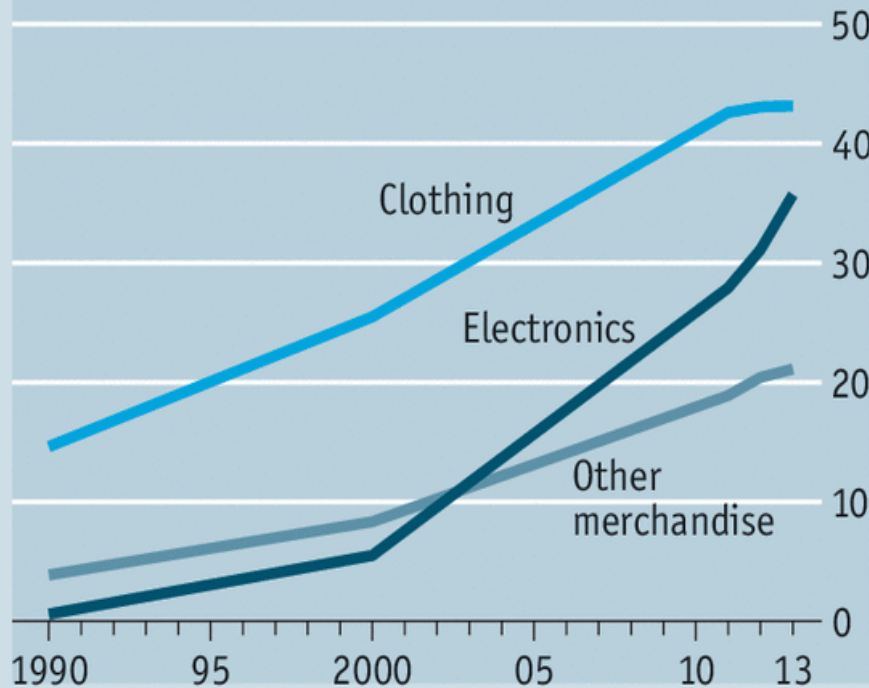


Source: United Nations

According to <The Economist>:

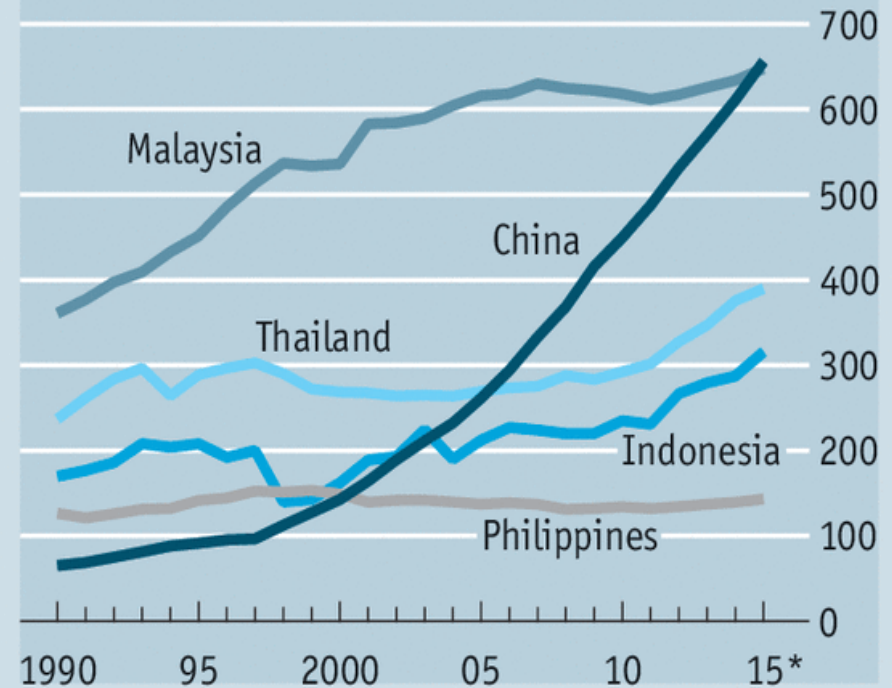
New-wage manufacturing

China's share of global exports, %



Sources: Thomson Reuters; Economist Intelligence Unit

Average monthly wages, 2010 prices, \$



* Forecast

The New Normal

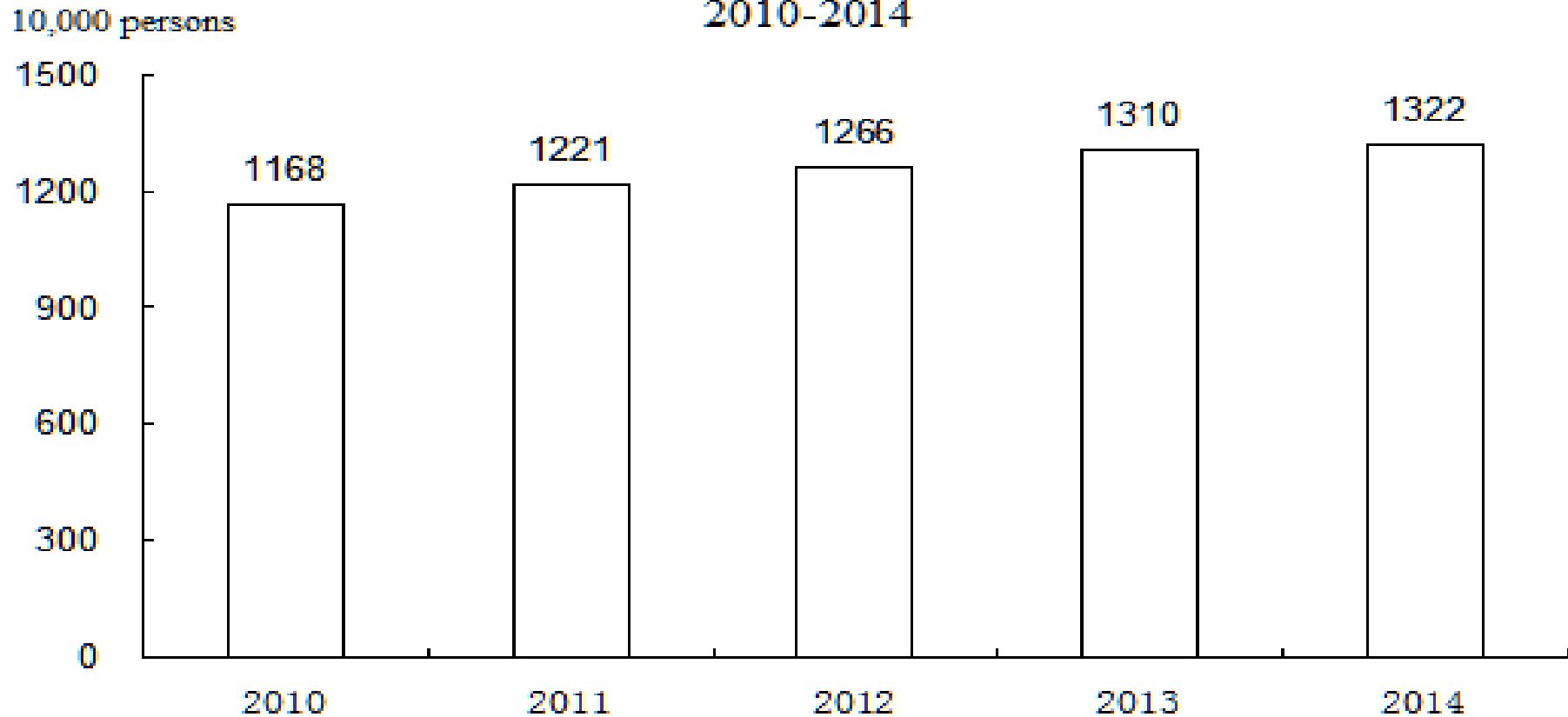
- Slower economic growth:
high → medium-to-high speed
- Transition of development mode:
 - investment and export → consumption
→ innovation
 - quantity and speed → quality , efficiency
→ public welfare

Advantages of Chinese economy

- Economic fundamentals
- Resilience:
export, investment, consumption
- Potential:
industry, urbanisation
- Room for manoeuvre:
gouvernement debts, revenus
- Comprehensive competitive strength

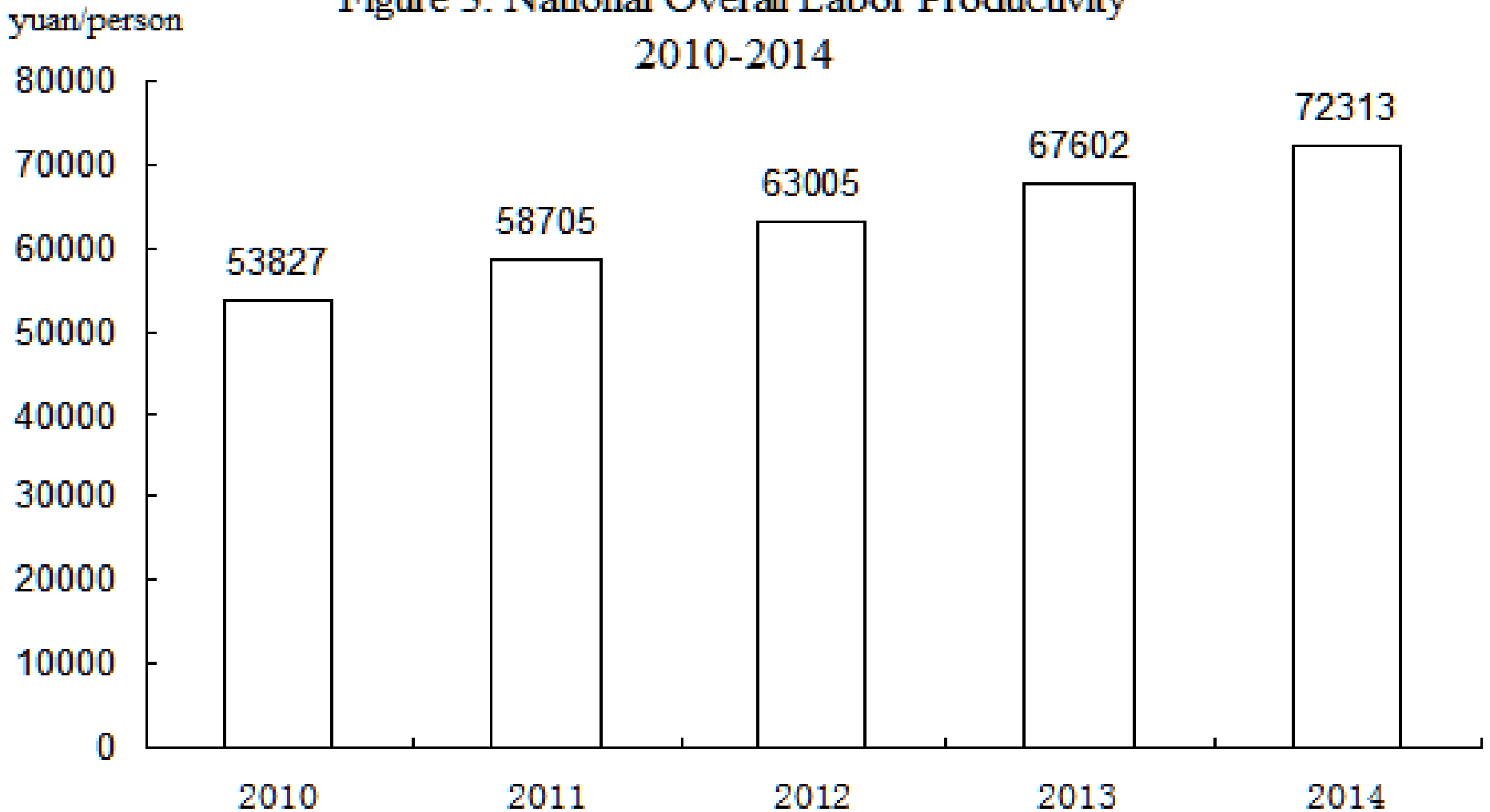
The employment

Figure 2: Newly Increased Employed People in Urban Areas
2010-2014



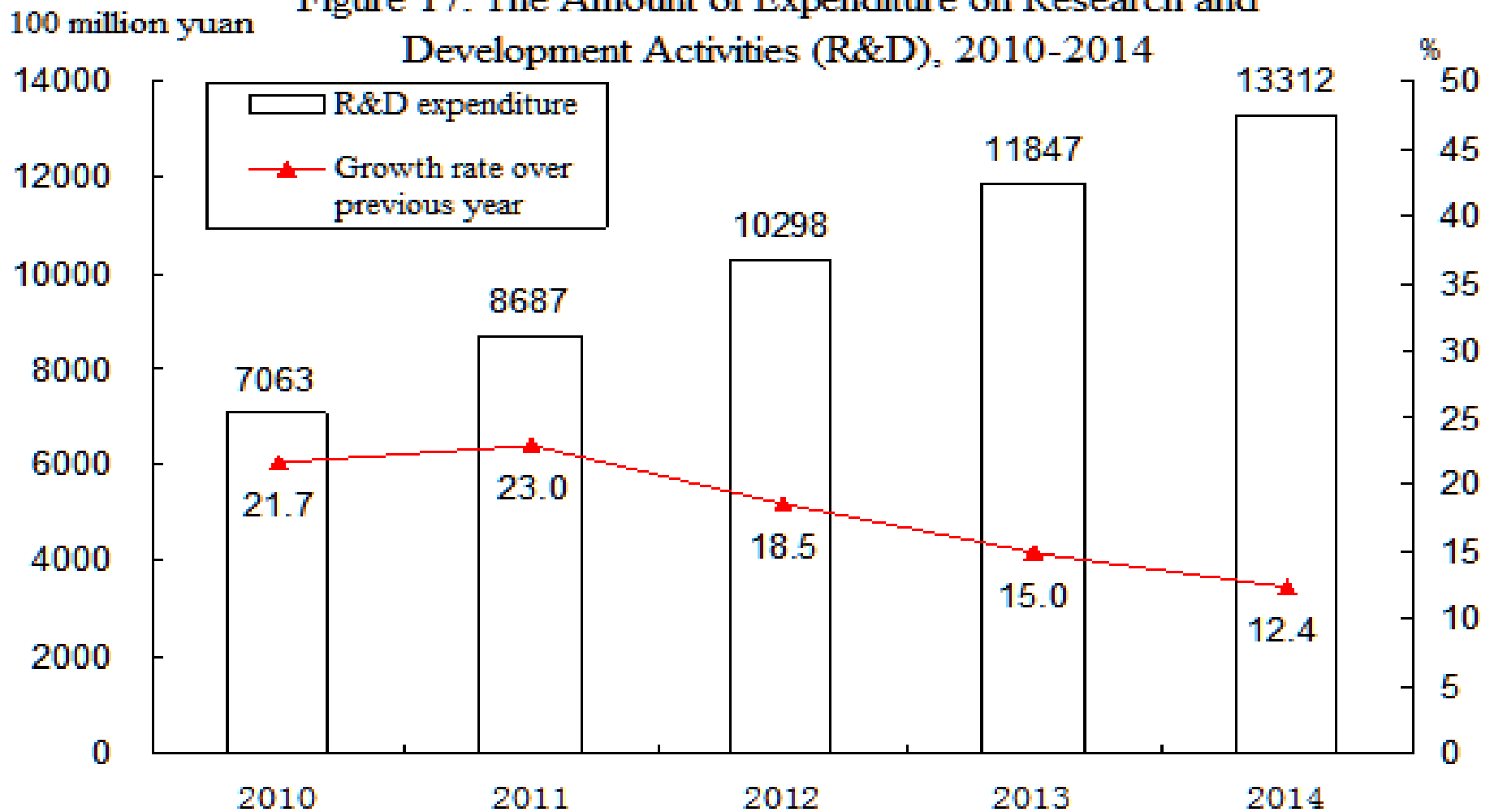
The labor productivity

Figure 3: National Overall Labor Productivity
2010-2014



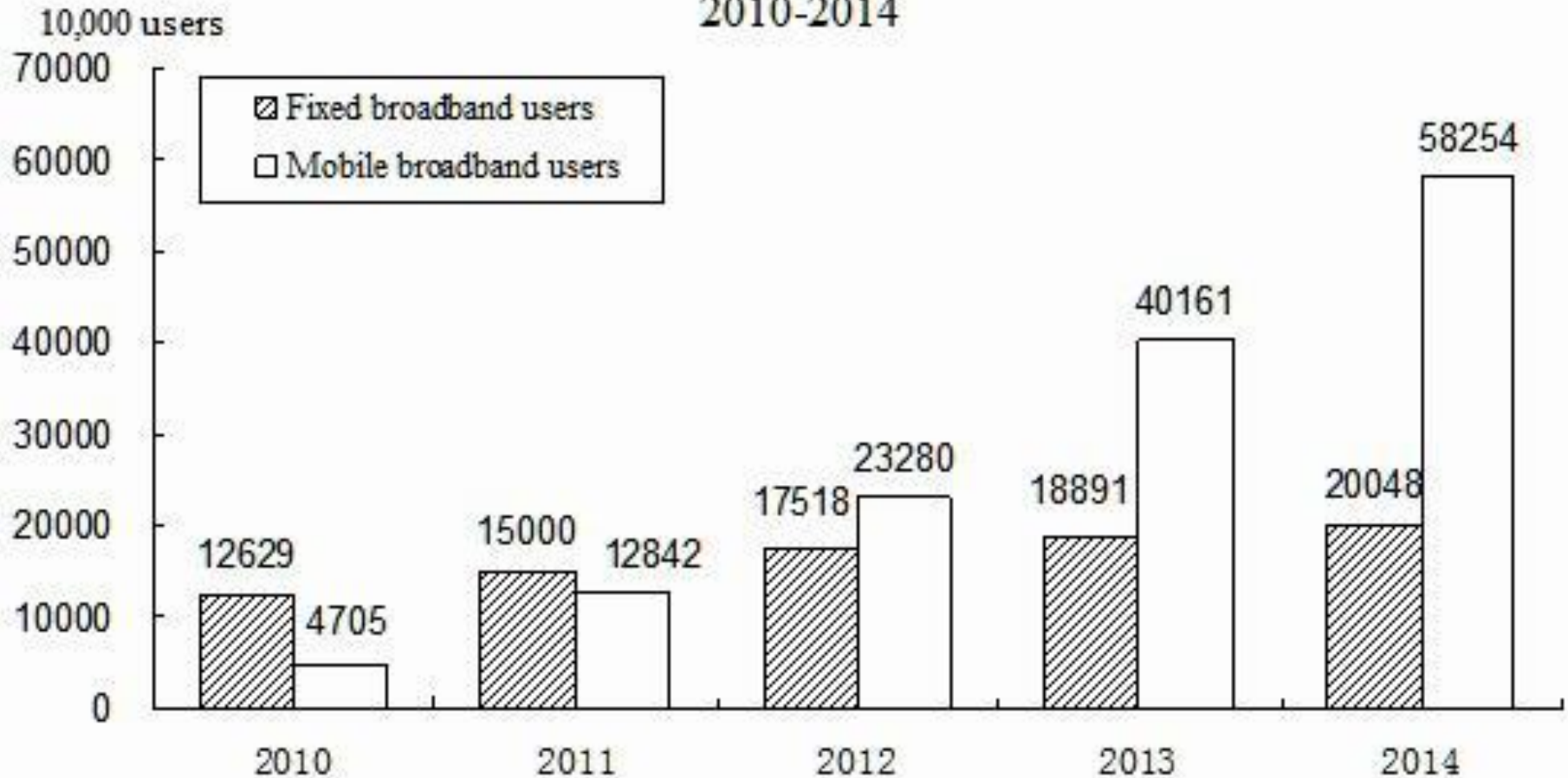
R&D

Figure 17: The Amount of Expenditure on Research and Development Activities (R&D), 2010-2014



The online retail sales

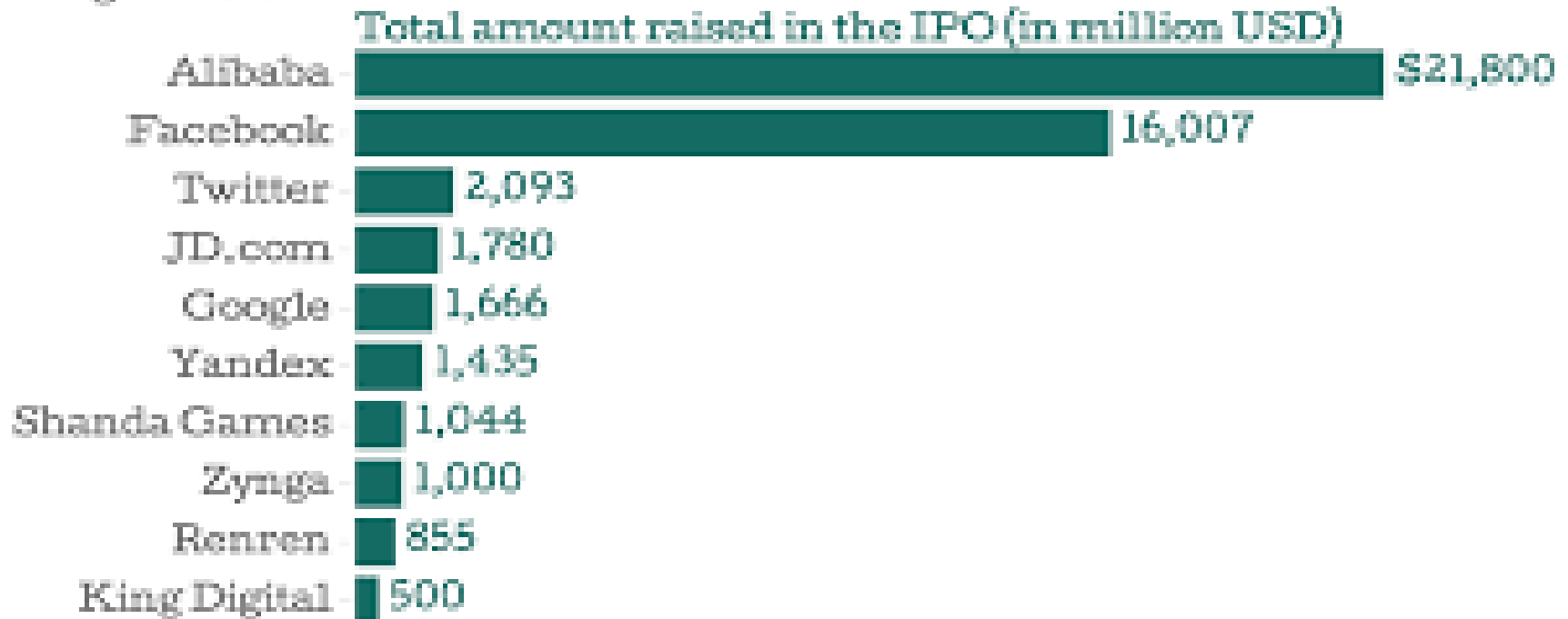
Figure 14: Year-end Number of Broadband Users
2010-2014



E-commerce

- Alibaba: “To make it easy to do business anywhere”

Largest U.S. Internet IPO



Ⅲ. The Five-Year Plan for National Economic and Social Development

- Why is the Five-Year Plan important?
 - government strategy
 - comprehensiveness
 - targets-guided
 - continuity and breakthrough
- Procedure: consultation, research, seminars
→drafts →approval by NPC and CPPCC

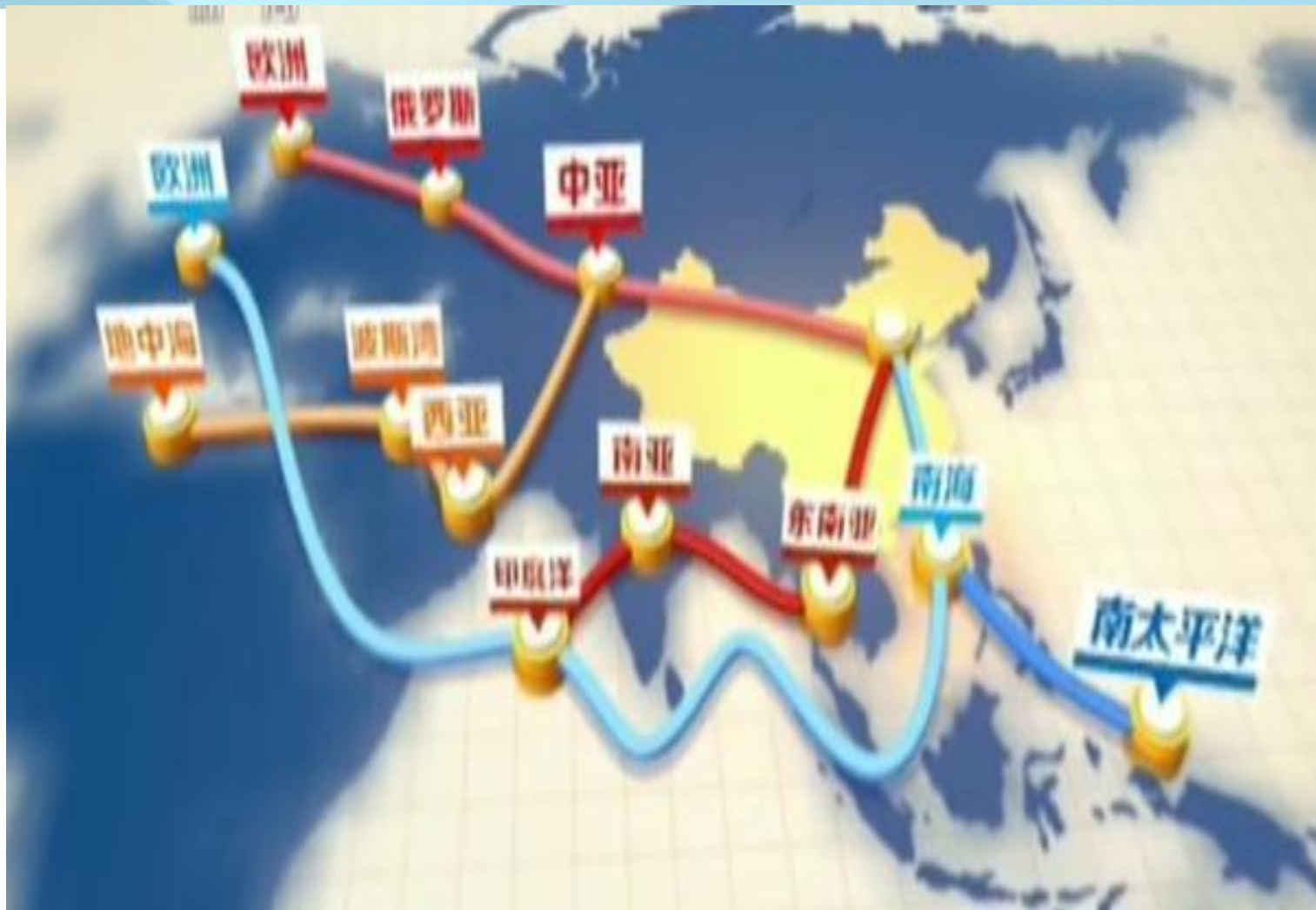
Key words for Chinese economy

- Reform: Government and Market
- Development:
 - economic performance
 - industrial transformation and upgrading
 - consumption
 - urbanization
 - social programs
 - environment
- Openness and inclusiveness

China (Shanghai) Pilot Free Trade Zone



Silk Road economic BELT 21st century maritime Silk ROAD

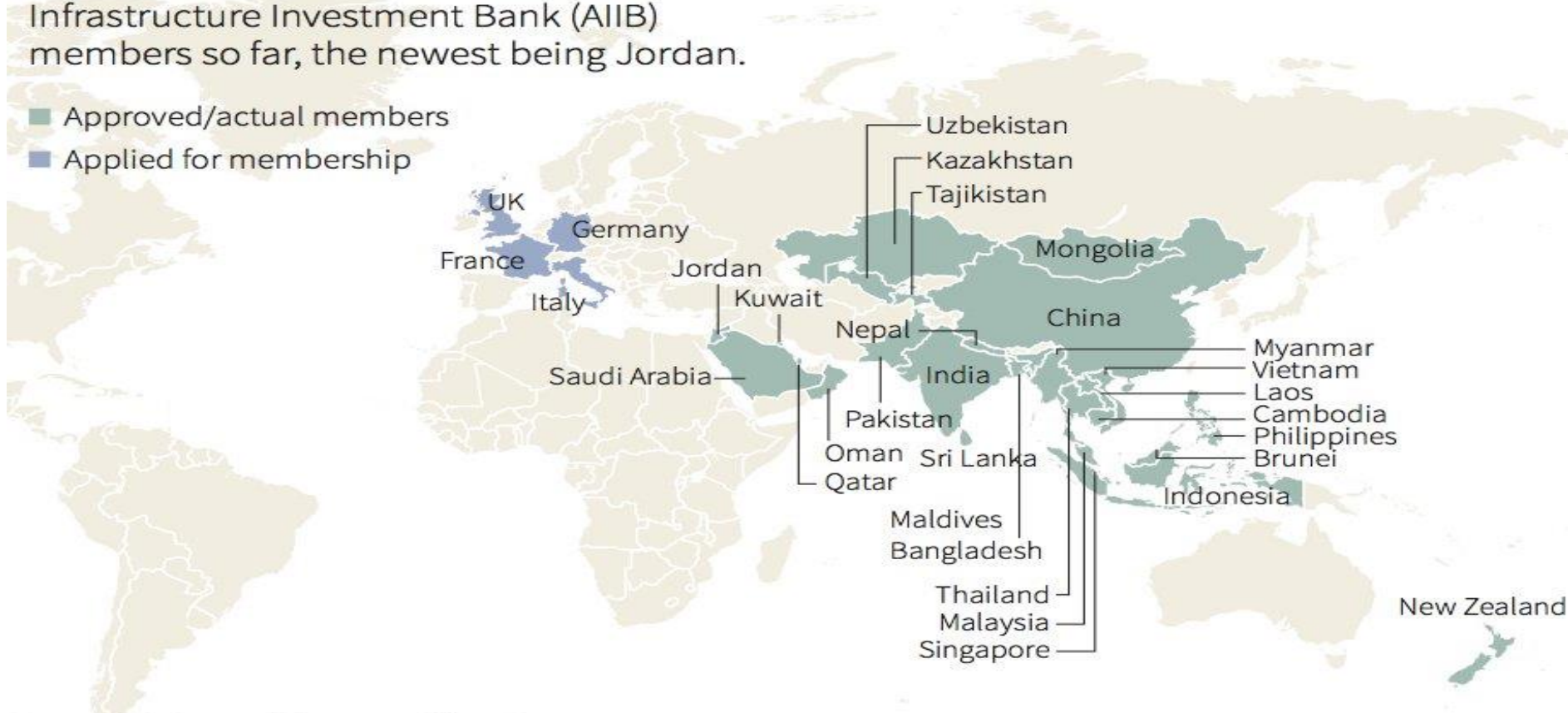


Asian Infrastructure Investment Bank

AIIB founding members

27 countries have become Asian Infrastructure Investment Bank (AIIB) members so far, the newest being Jordan.

- Approved/actual members
- Applied for membership



Source: Ministry of Finance, China; Reuters

AIIB: US vs China ???



III. Do business with China

- Find a good partner: Web???
- The second-tier and third-tier cities.
- The economic and technological development
- Adapting to the terrain you land in: Being "quite a good drinker"?
- Seeking good suggestions

Thank you!