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# Economy of China

The **economy of China** is a mixed socialist market economy<sup>[25][26]</sup> which is composed primarily of state-owned enterprises and uses economic planning,<sup>[27]</sup> while still allowing for private businesses and investment to flourish. The government began economic reforms around 1978 or earlier.<sup>[3][28]</sup> The economy, as of 2019, ranked as the second largest in the world by nominal GDP<sup>[29][30][31]</sup> and as of 2017 the largest in the world by purchasing power parity.<sup>[32]</sup> China has the world's fastest-growing major economy, with growth rates averaging 10% over 30 years.<sup>[33][34]</sup> As of 2019, China's public sector accounted for 63% of total employment.<sup>[35]</sup> According to the IMF, on a per capita income basis, China ranked 73rd by GDP (PPP) per capita in 2019.<sup>[36]</sup> China's GDP was \$14.3 trillion (99 trillion Yuan) in 2019.<sup>[37]</sup> The country has natural resources with an estimated worth of \$23 trillion, 90% of which are coal and rare earth metals.<sup>[38]</sup> China also has the world's largest total banking sector assets of around \$45.838 trillion (309.41 trillion CNY) with \$42.063 trillion in total deposits and other liabilities.<sup>[39][40]</sup> It has the second largest inward foreign direct investment at USD 141 billion in 2019 alone,<sup>[41]</sup> and the second largest outward foreign direct investment, at USD 136.91 billion for 2019 alone, following Japan at USD 226.65 billion for the same period.<sup>[42]</sup> China has the world's second-highest number of billionaires with total wealth of \$996 billion.<sup>[43]</sup> Of the world's 500 largest companies, 129 are headquartered in China.<sup>[44]</sup> It has the world's largest foreign-exchange reserves worth \$3.1 trillion.<sup>[45]</sup> Historically, China was one of the world's foremost economic powers for most of the two millennia from the 1st until the 19th century.<sup>[46][47][48]</sup>

China is the world's largest manufacturing economy and exporter of goods.<sup>[49]</sup> It is also the world's fastest-growing consumer market and second-largest

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Shanghai, the financial centre of China

<b>Currency</b>	Renminbi Yuan CN¥1
<b>Fiscal year</b>	Calendar year
<b>Trade organizations</b>	WTO, BRICS, SCO, APEC, G-20 and others
<b>Country group</b>	Developing/Emerging <sup>[1]</sup> Upper-middle income economy <sup>[2]</sup> <div><div><div><span>▪</span></div></div>Newly industrialized country</div>
<b>Statistics</b>	
<b>Population</b>	<span>▲</span> 1,394,015,977 (2020 est.) <sup>[3]</sup>
<b>GDP</b>	<span>▲</span> \$15.2 trillion (nominal; 2020 est.) <sup>[4]</sup> <span>▲</span> \$24.2 trillion (PPP; 2020 est.) <sup>[4]</sup>
<b>GDP rank</b>	2nd (nominal; 2019) 1st (PPP; 2020)
<b>GDP growth</b>	6.6% (2018) 6.1% (2019) 1.0% (2020f) 8.2% (2021f) <sup>[5][6]</sup>
<b>GDP per capita</b>	<span>▲</span> \$10,839 (nominal; 2020 est.) <sup>[4]</sup> <span>▲</span> \$17,206 (PPP; 2020 est.) <sup>[4]</sup>
<b>GDP per capita rank</b>	65th (nominal; 2019) 69th (PPP; 2019)
<b>GDP by sector</b>	Agriculture: 7.9% Industry: 40.5% Services: 51.6% (2017) <sup>[3]</sup>
<b>GDP by component</b>	Household consumption: 39.1% Government consumption: 14.5% Investment in fixed capital: 42.7% Investment in inventories: 1.7% Exports of goods and services: 20.4% Imports of goods and services: −18.4% (2017 est.) <sup>[3]</sup>
<b>Inflation (CPI)</b>	2.9% (2020 est.) <sup>[4]</sup>
<b>Population below poverty line</b>	<span>▼</span> 1.7% (2018) <sup>[7][note 1]</sup> <span>▼</span> 23.9% on less than \$5.50/day (2016) <sup>[8]</sup>
<b>Gini coefficient</b>	<span>▲</span> 46.7 <b>high</b> (2018) <sup>[9][note 2]</sup>
<b>Human Development Index</b>	<span>▲</span> 0.758 <b>high</b> (2018) <sup>[10]</sup> (85th) <span>▼</span> 0.636 <b>medium</b> IHDI (2018) <sup>[11]</sup>

importer of goods.<sup>[50]</sup> China is a net importer of services products.<sup>[51]</sup> It is the largest trading nation in the world and plays a prominent role in international trade<sup>[52][53]</sup> and has increasingly engaged in trade organizations and treaties in recent years. China became a member of the World Trade Organization in 2001.<sup>[54]</sup> It also has free trade agreements with several nations, including ASEAN, Australia, New Zealand, Pakistan, South Korea and Switzerland.<sup>[55]</sup> The provinces in the coastal regions of China<sup>[56]</sup> tend to be more industrialized while regions in the hinterland are less developed. As China's economic importance has grown, so has attention to the structure and health of the economy.<sup>[57][58]</sup> China's largest trading partners are the US, EU, Japan, Hong Kong, South Korea, India, Taiwan, Australia, Vietnam, Malaysia, and Brazil.<sup>[59]</sup> The Shanghai Stock Exchange and Shenzhen Stock Exchange are one of the world's largest stock exchanges by market capitalization and trade volume.<sup>[60]</sup> With 778 million workers, the Chinese labour force is the world's largest as of 2020. It ranks 31st on the Ease of doing business index<sup>[61]</sup> and 28th on the Global Competitiveness Report.<sup>[62]</sup> China ranks 14th on the Global Innovation Index and is the only middle-income economy in the top 30.<sup>[63]</sup> By the end of July 2020, China's 5G users had already surpassed 88 million, accounting for over 80% of users worldwide -- far ahead of the previously projected 70% share for the whole of 2020. By the end of this year, the number of 5G base stations in China is expected to reach nearly one million, by far the biggest tally globally.<sup>[64]</sup> As of the end of June 2020, the number of automatic teller machines (ATMs) stood at 1.0521 million, the most globally.<sup>[65]</sup>

To avoid the long-term socioeconomic cost<sup>[66]</sup> of environmental pollution in China,<sup>[67][68]</sup> it has been suggested by Nicholas Stern and Fergus Green of the Grantham Research Institute on Climate Change and the Environment that the economy of China be shifted to more advanced industrial development with low carbon dioxide emissions and better allocation of national

<b>Labor force</b>	<span>▼</span> 778,700,553 (2020) <sup>[12]</sup> (1st) <span>▼</span> 67.4% employment rate (2019) <sup>[13]</sup>
<b>Labor force by occupation</b>	Agriculture: 27% Industry: 29% Services: 44% (FY 2018) <sup>[14]</sup>
<b>Unemployment</b>	<span>▲</span> 3.8% (2020 est.) <sup>[4]</sup> <span>▲</span> 10.6% youth unemployment (2019) <sup>[15][note 3]</sup>
<b>Main industries</b>	Mining · ore processing · iron · steel · aluminum · and other metals · coal · machine building · armaments · textiles · apparel · petroleum · cement · chemicals · fertilizer · food processing · information technology · transportation equipment · automobiles · railcars · telecoms equipment · locomotives · ships · aircraft · space launch vehicles · satellites · consumer products (including footwear · toys · electronics) · military equipment · financial services · electric power
<b>Ease-of-doing-business rank</b>	<span>▲</span> 31st (very easy, 2020) <sup>[16]</sup>
<b>External</b>	
<b>Exports</b>	US\$2.5 trillion (2019) <sup>[17]</sup>
<b>Export goods</b>	Agricultural products 3.2% Fuels and mining products 2.4% Manufacturers 94.3% Others 0.1% <sup>[18]</sup>
<b>Main export partners</b>	<span><span></span></span> European Union(-) 17.2% <span><span></span></span> United States(-) 16.7% <span><span></span></span> ASEAN(+) 12.83% <span><span></span></span> Hong Kong(+) 12.16% <span><span></span></span> Japan(+) 5.91% <span><span></span></span> South Korea(+) 4.37% <span><span></span></span> India(-) 3.08% <span><span></span></span> Russia(+) 2.64% Others 23.33% <sup>[18]</sup>
<b>Imports</b>	US\$2.08 trillion (2019) <sup>[17]</sup>
<b>Import goods</b>	Agricultural products 9.5% Fuels and mining products 21.3% Manufacturers 64.4% Others 4.8% <sup>[18]</sup>
<b>Main import partners</b>	<span><span></span></span> European Union(-) 12.82% <span><span></span></span> ASEAN(+) 12.58% <span><span></span></span> South Korea (+)9.58% <span><span></span></span> Japan(+) 8.45% <span><span></span></span> Taiwan(+) 8.32% <span><span></span></span> United States(-) 7.24% <span><span></span></span> India(-) 4.03% <span><span></span></span> Brazil(+) 3.63% Others 33.74% <sup>[18]</sup>
<b>FDI stock</b>	<span>▲</span> \$1.523 trillion (31 December 2017 est.) <sup>[3]</sup> <span>▲</span> Abroad: \$1.383 trillion (31 December 2017 est.) <sup>[3]</sup>
<b>Current account</b>	<span>▼</span> \$164.9 billion (2017 est.) <sup>[3]</sup>
<b>Gross external debt</b>	<span>▲</span> \$1.598 trillion (31 December 2017 est.) <sup>[3]</sup>
<b>Public finances</b>	
<b>Public debt</b>	<span>▲</span> 47% of GDP (2017 est.) <sup>[3][note 4]</sup>

resources to innovation and R&D for sustainable economic growth in order to reduce the impact of China's heavy industry. This is in accord with the planning goals of the central government.<sup>[69]</sup> Communist Party general secretary Xi Jinping's Chinese Dream is described as achieving the "Two 100s", namely the material goal of China becoming a "moderately well-off society" by 2021, and the modernization goal of China becoming a fully developed nation by 2049, the 100th anniversary of the founding of the People's Republic.<sup>[70]</sup>

The internationalization of the Chinese economy continues to affect the standardized economic forecast officially launched in China by the Purchasing Managers Index in 2005. As China's economy grows, so does China's Renminbi, which undergoes the process needed for its internationalization.<sup>[71]</sup> China initiated the founding of the Asian Infrastructure Investment Bank in 2015. The economic development of Shenzhen has caused the city to be referred to as the world's next Silicon Valley.<sup>[72][73][74][75]</sup> As of 2020, 124 of the Fortune Global 500 companies are based in China.<sup>[76]</sup>

In recent years, government-claimed growth numbers have come under increased scrutiny, as both native and foreign financial and economic observers, as well as Chinese government officials, claim that the government has been overstating its economic output. Examples include the provincial government in Liaoning publicly admitting that the government had been overstating GDP by 20% when publishing its economic data from 2011 to 2014. Tianjin's trillion-yuan GDP claim for 2016 was, in fact, a third lower, at 665 billion yuan (\$103 billion).<sup>[77][78][79]</sup> A *Wall Street Journal* survey of 64 select western economists found that 96% of respondents think China's GDP estimates do not "accurately reflect the state of the Chinese economy".<sup>[80]</sup> However, a paper by the National Bureau of Economic Research in 2017 argued in the opposite direction.<sup>[81]</sup> Regarding the credibility of official data, China's premier Li Keqiang (then Party Secretary of Liaoning Province) has been quoted as saying the GDP numbers are "man-made" and unreliable and should be used "for reference only".<sup>[82]</sup>

<b>Budget balance</b>	−3.8% (of GDP) (2017 est.) <sup>[3]</sup>
<b>Revenues</b>	2.553 trillion (2017 est.) <sup>[3]</sup>
<b>Expenses</b>	3.008 trillion (2017 est.) <sup>[3]</sup>
<b>Credit rating</b>	<div>Standard &amp; Poor's:<sup>[19]</sup><div>A+ (domestic)<div>A+ (foreign)<div>A+ (T&amp;C assessment)<div>Outlook: stable</div></div></div></div><div>Moody's:<sup>[20]</sup><div>A1<div>Outlook: stable</div></div></div><div>Fitch:<sup>[21]</sup><div>A+<div>Outlook: stable</div></div></div><div>Scope:<sup>[22]</sup><div>A+<div>Outlook: negative</div></div></div></div>
<b>Foreign reserves</b>	<span>▲</span> \$3.219 trillion (October 2019) <sup>[23][24]</sup> (1st)
Main data source: <b>CIA World Fact Book</b> ( <a href="https://www.cia.gov/library/publications/resources/the-world-factbook/geos/ch.html">https://www.cia.gov/library/publications/resources/the-world-factbook/geos/ch.html</a> ) <i>All values, unless otherwise stated, are in US dollars.</i>	

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