

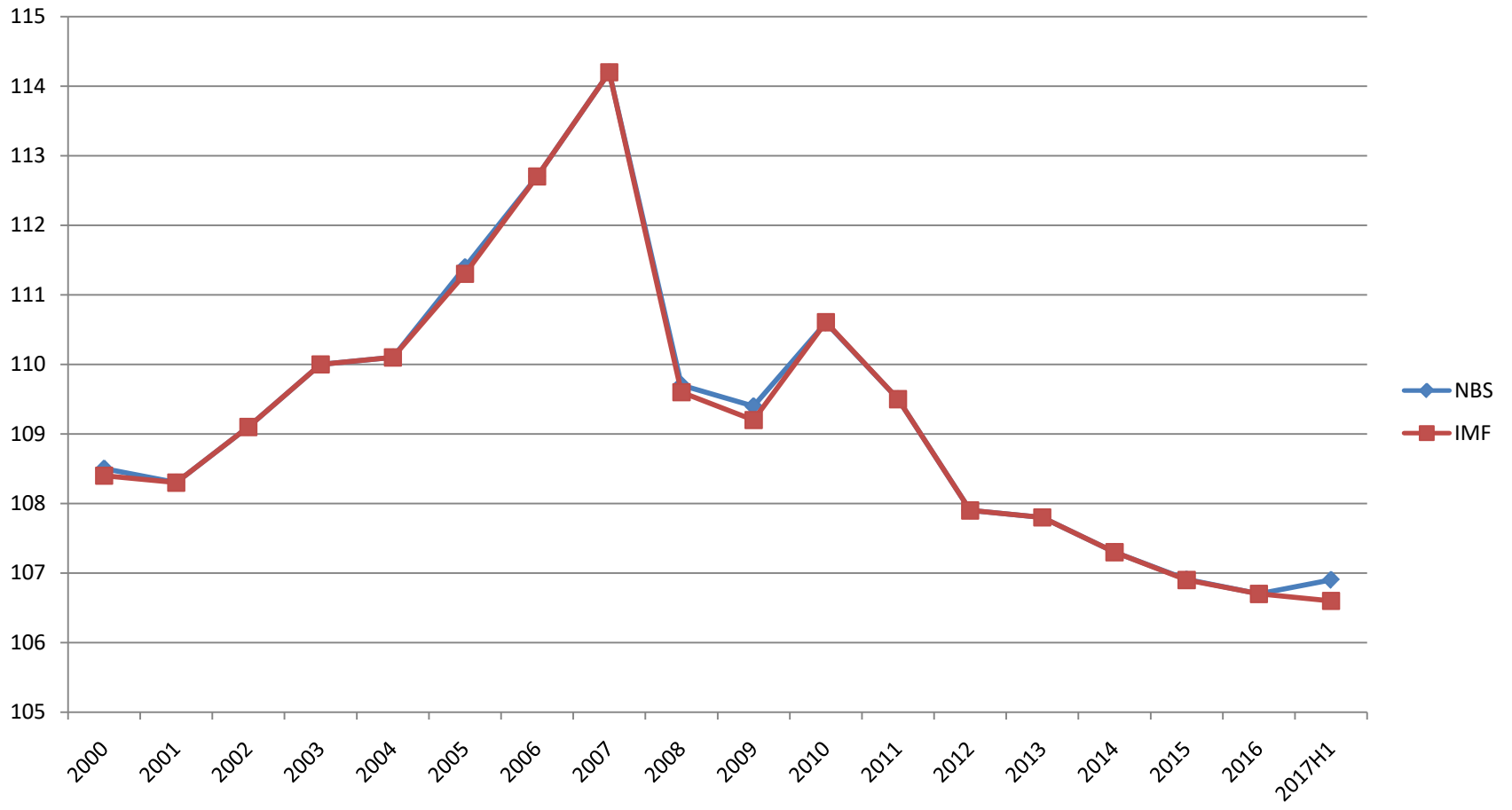
Chinese Economy Since 2008

Zhao, Hongchun

Liu, Yanjie

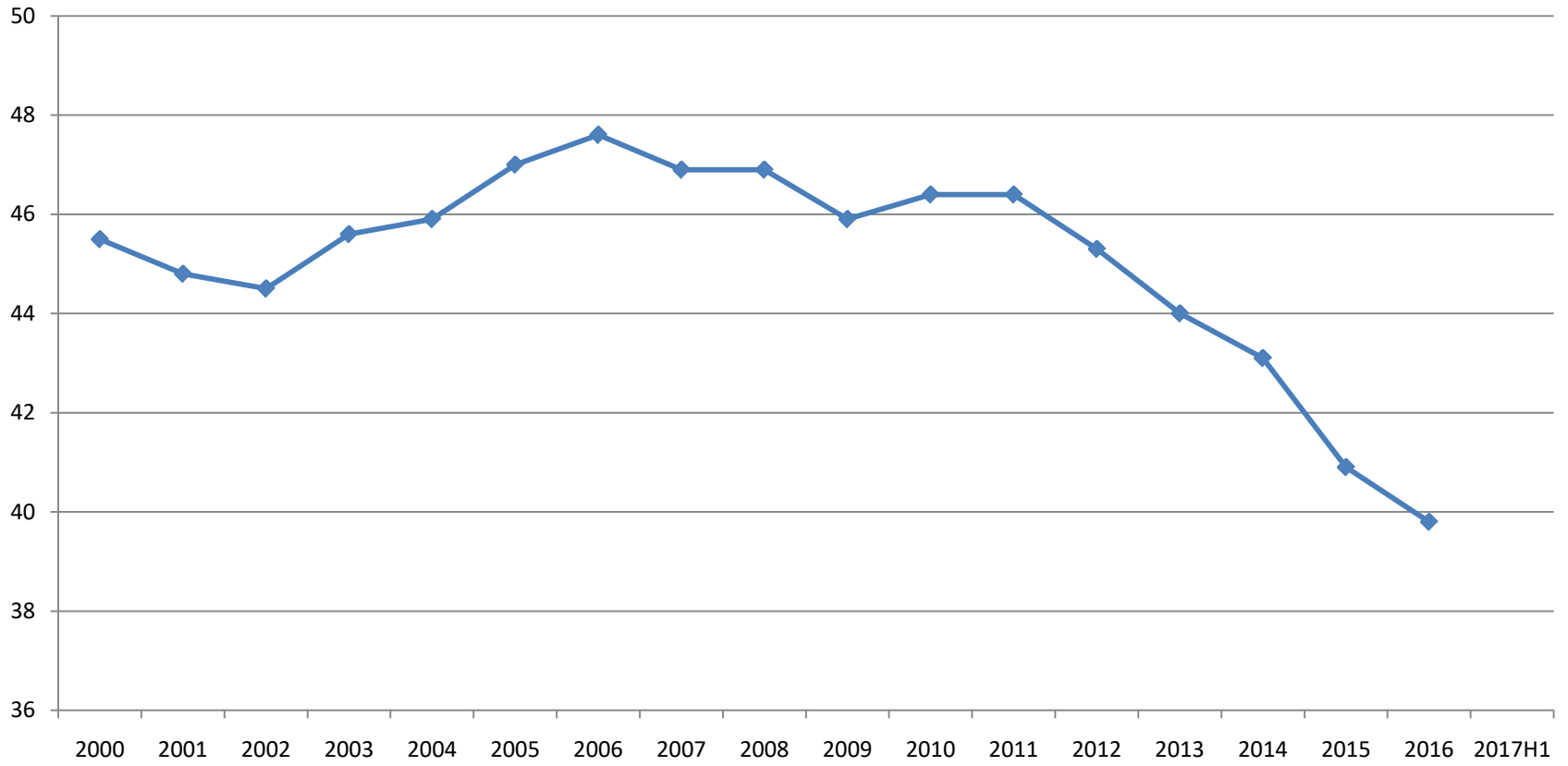
October, 2017

Growth Slow Down

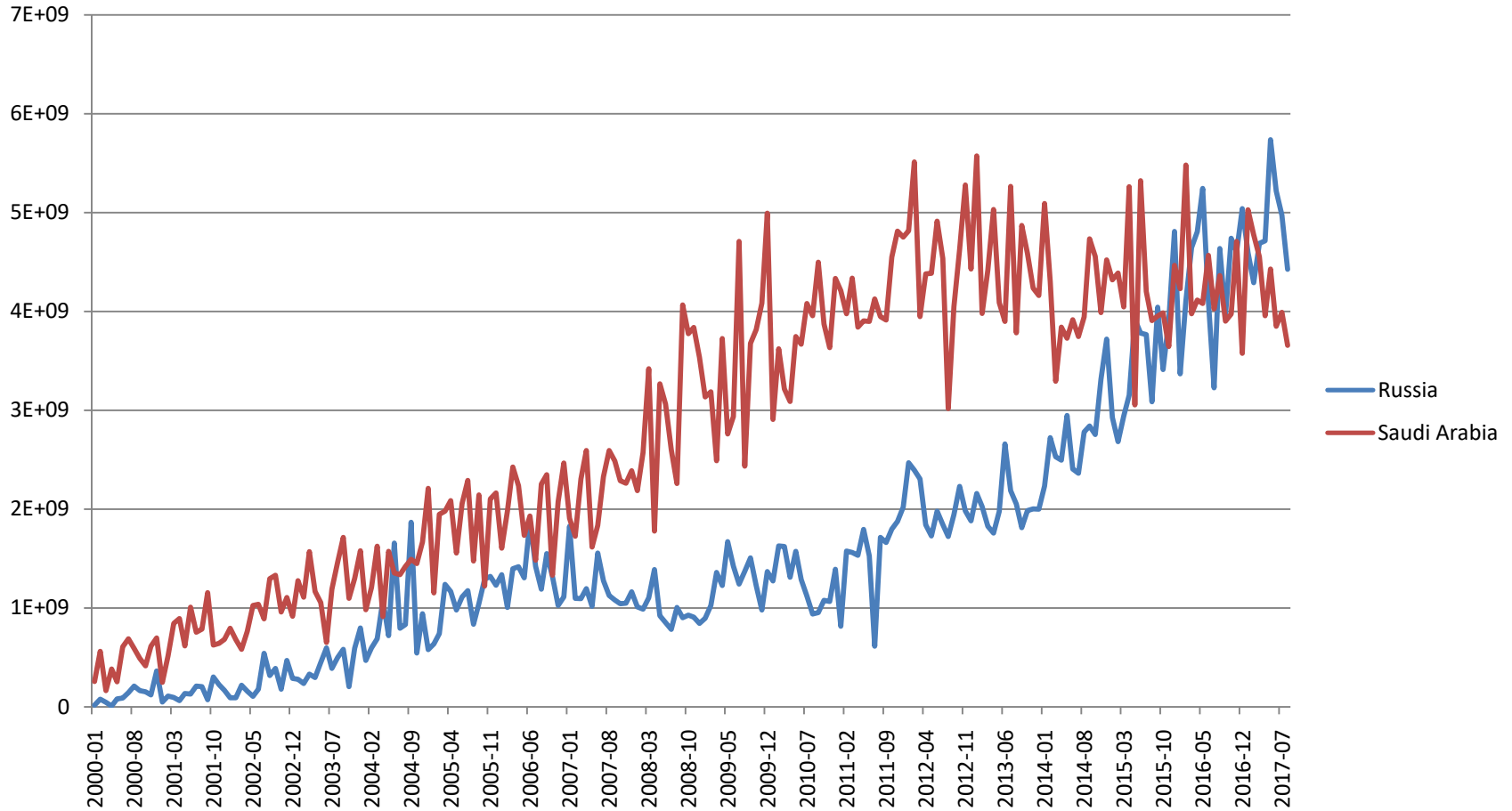


Substantial Transformation

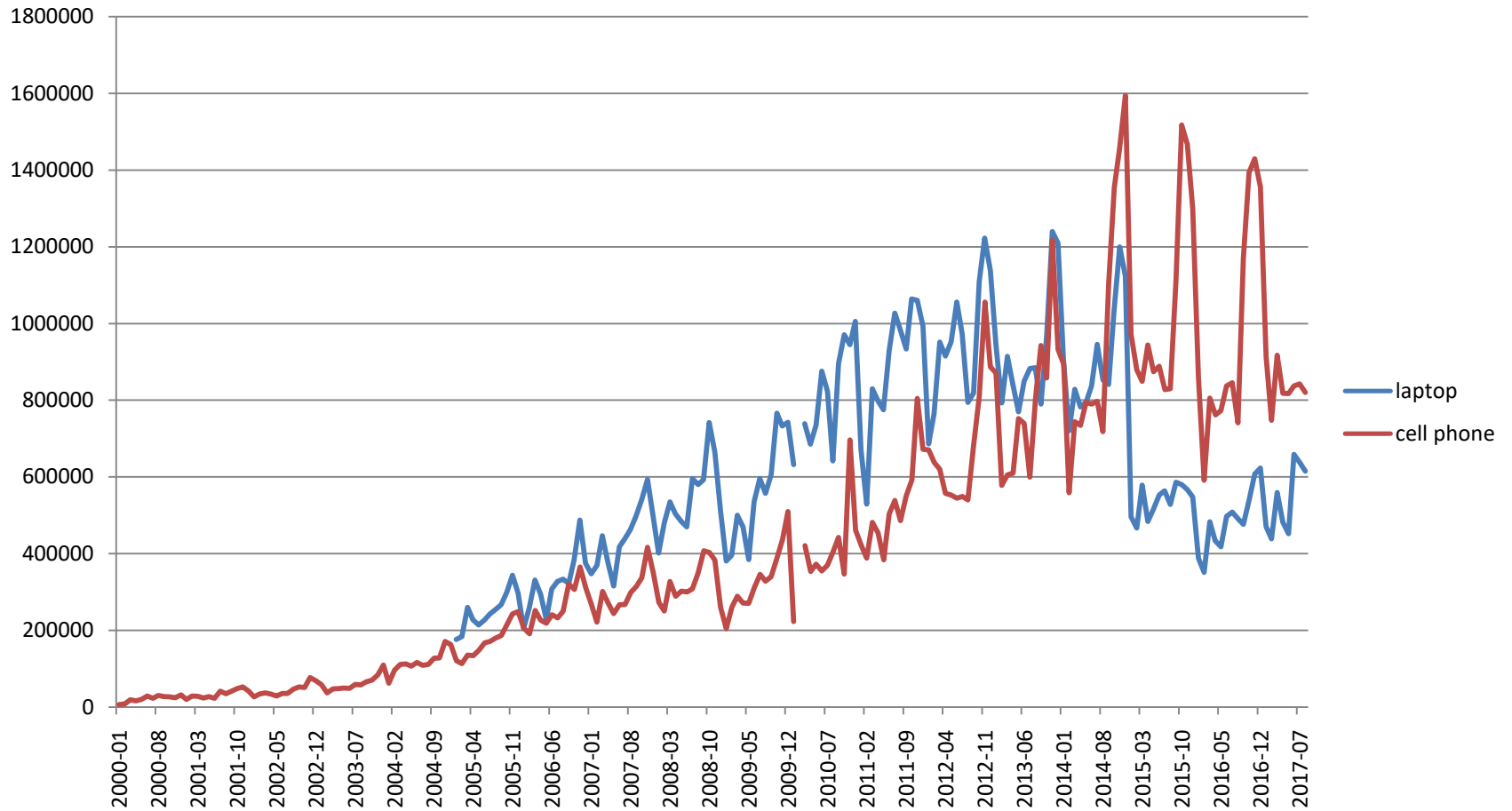
Share of Industrial Production in GDP



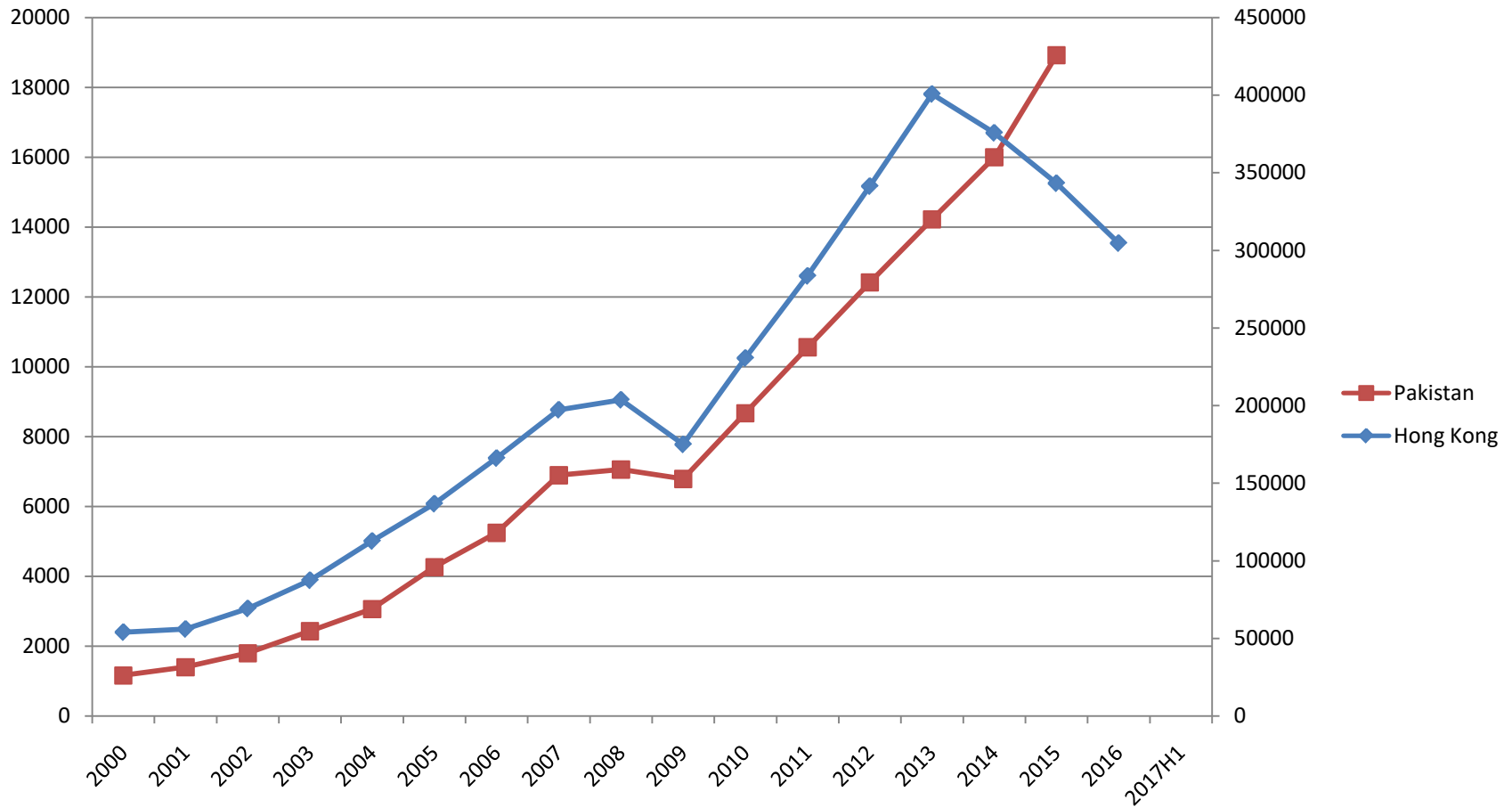
Supply-chain Also Changed: Oil Imports



Supply-chain Also Changed: High-tech Exports



Supply-chain Also Changed: Integration



Is China A Dancing Elephant?

- **China is a manufacturing country with heavy weight in the world**
- **China imports raw materials from the world and exports manufactured products to the world**
- **In 1992 China determined to join the globalization**
- **Thereafter China mobilized its available physical assets and labor to manufacturing**
- **In less than ten years China became “workshop of the world”**

Is China A Dancing Elephant?

- **After the 2008 crisis China transformed and is still transforming its economy**
- **We will see whether this time China could adapt to environment rapidly**



Quotes from Leaders of Our Countries

- You must fully anticipate various possible and inevitable difficulties and be prepared to overcome them with great enthusiasm, courage, care and stamina. -- Mao, Tse-Tung**
- Think one hundred times before you take a decision, but once that decision is taken, stand by it as one man. -- Muhammad Ali Jinnah**

Externally “Belt and Road”

- **The ongoing transformation of Chinese economy is coined as “Belt and Road” externally**
- **Some observers connect “Belt & Road” to excessive capacity in China**
- **They are right but also incomplete**
- **If China did not transform its economy, then there would not exist any so-called “excessive capacity”**
- **The “excessive capacity” is excessive because China intends to be less manufacturing**
- **In my humble opinion this is really some “windfall” for developing countries**

Internally?



Take-away

- **As an outsider of Pakistan, I believe that many Pakistani economists are more qualified than me to evaluate the potential between Pakistan and China**
- **However, understanding China and China's relation with the rest of the world is worthwhile for Pakistan**
- **Understanding China is difficult. But why?**
 - Extract information from official statements in China for decision making. Independent analysis better.
 - China has rivals, and could be sources of noisy information about China.
 - Form policies based on Pakistan's own target and constraint. Eliminate misunderstanding and miscalculation.