



The Rise of China

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Some Data on China

- China's Economy
- China's International Initiatives
- China's Rankings

China's Economy

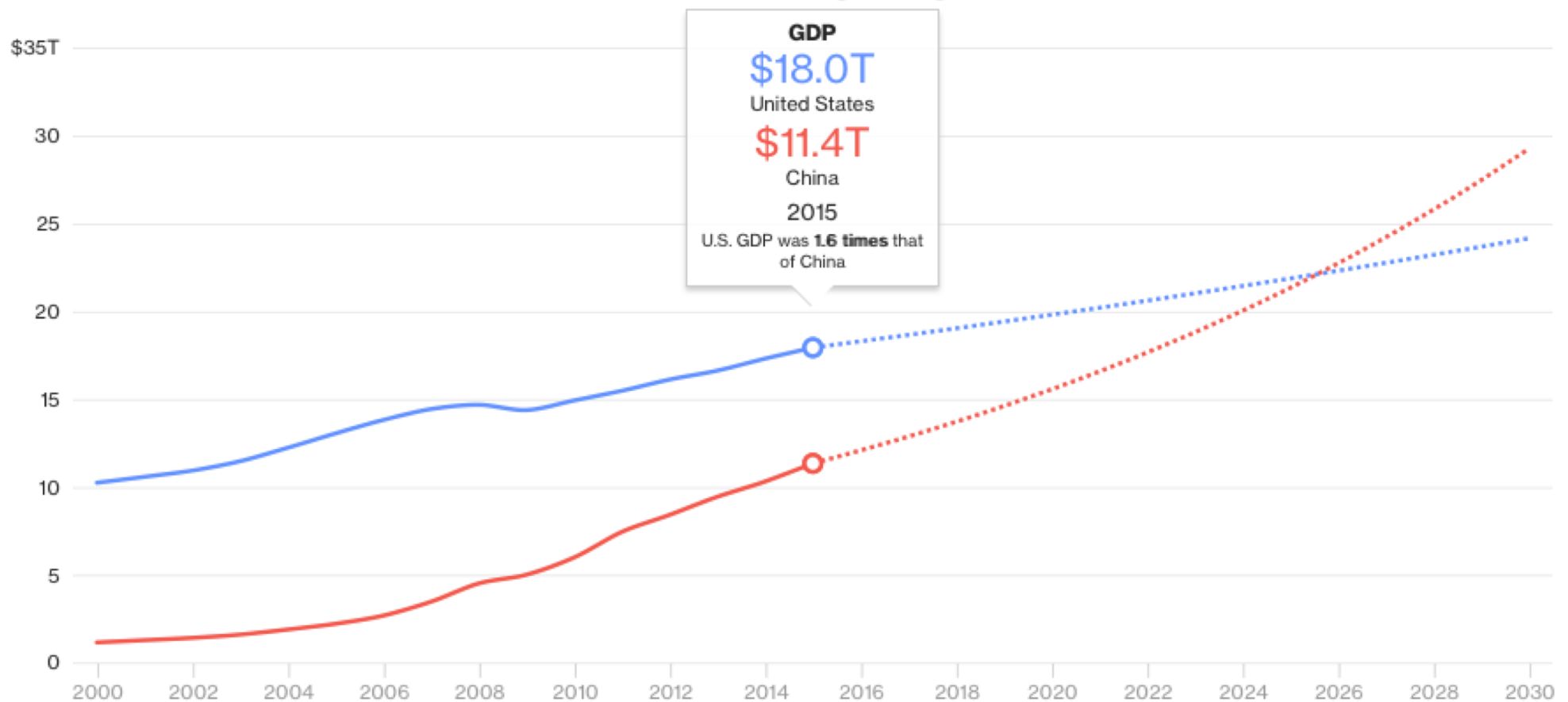
- GDP
 - Is about 2/3 of US GDP in dollars
 - Expected to surpass US in less than 10 years

China's GDP will overtake the U.S. level in **2026** at these 2030 target growth rates:

U.S. 2.0%

China 6.5%

Use the slider to change the target rate



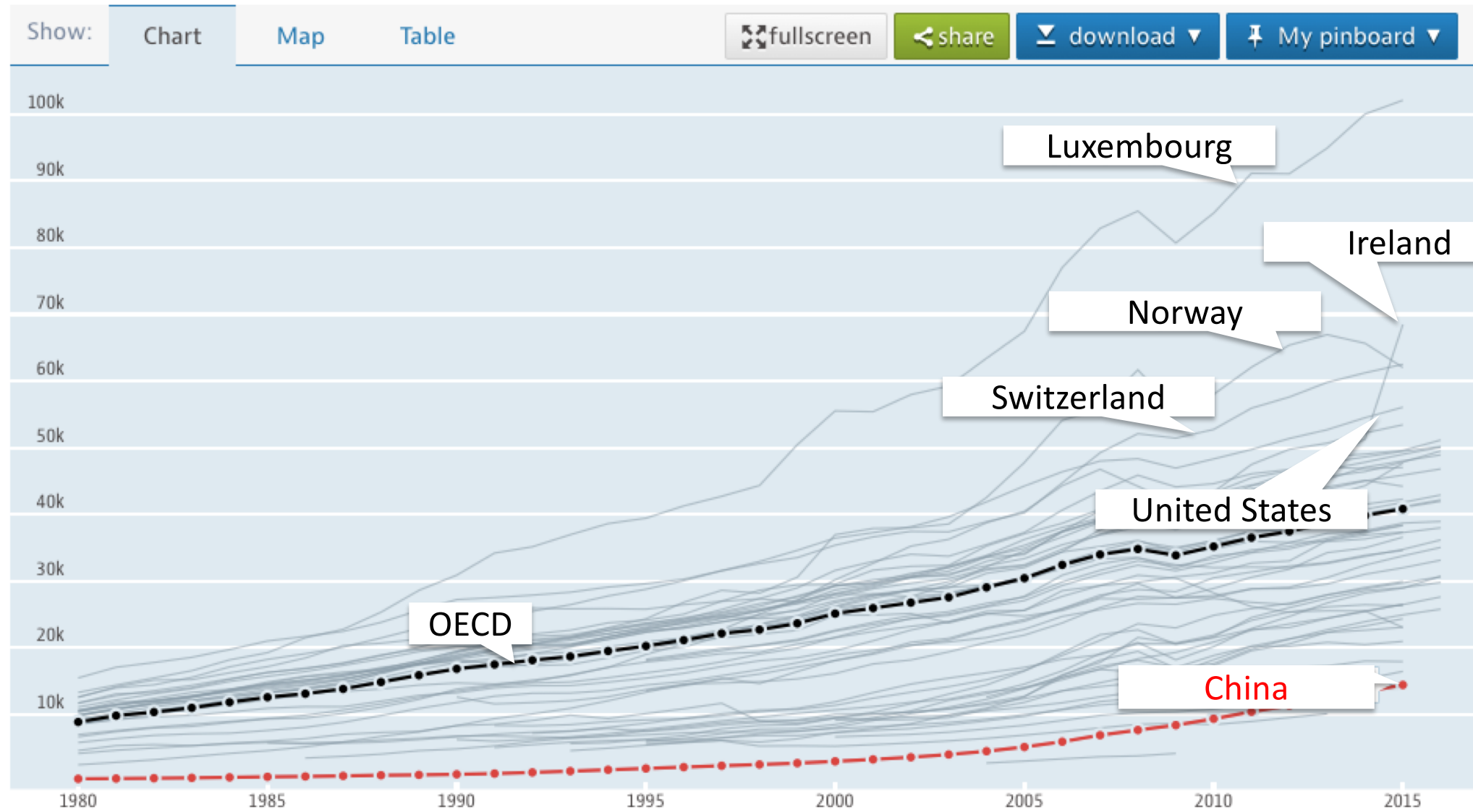
China's Economy

- GDP
 - Is about 2/3 of US GDP in dollars
 - Expected to surpass US in less than 10 years
 - In real terms (PPP)
 - China: \$21.27 trillion (2016 est, per CIA)
 - US: \$18.56 trillion (2015 est, per CIA)
 - In real terms (Big Macs, per Economist)
 - China: 3.9 trillion burgers
 - US: ~3.7 trillion burgers

China's Economy

- GDP per capita (at nominal exchange rates)
 - Still less than $\frac{1}{2}$ the OECD average
 - About $\frac{1}{4}$ the US
 - But has grown dramatically since 1980

Gross domestic product (GDP) Total, US dollars/capita, 1980 – 2016 Source: Aggregate National Accounts, SNA 2008 (or SNA 1993): Gross domestic product



China's Economy

- Other China data
 - Spending on R&D
 - Military Expenditure
 - Trade
 - Exchange rate
 - International reserves

R&D

Show:

Chart

Map

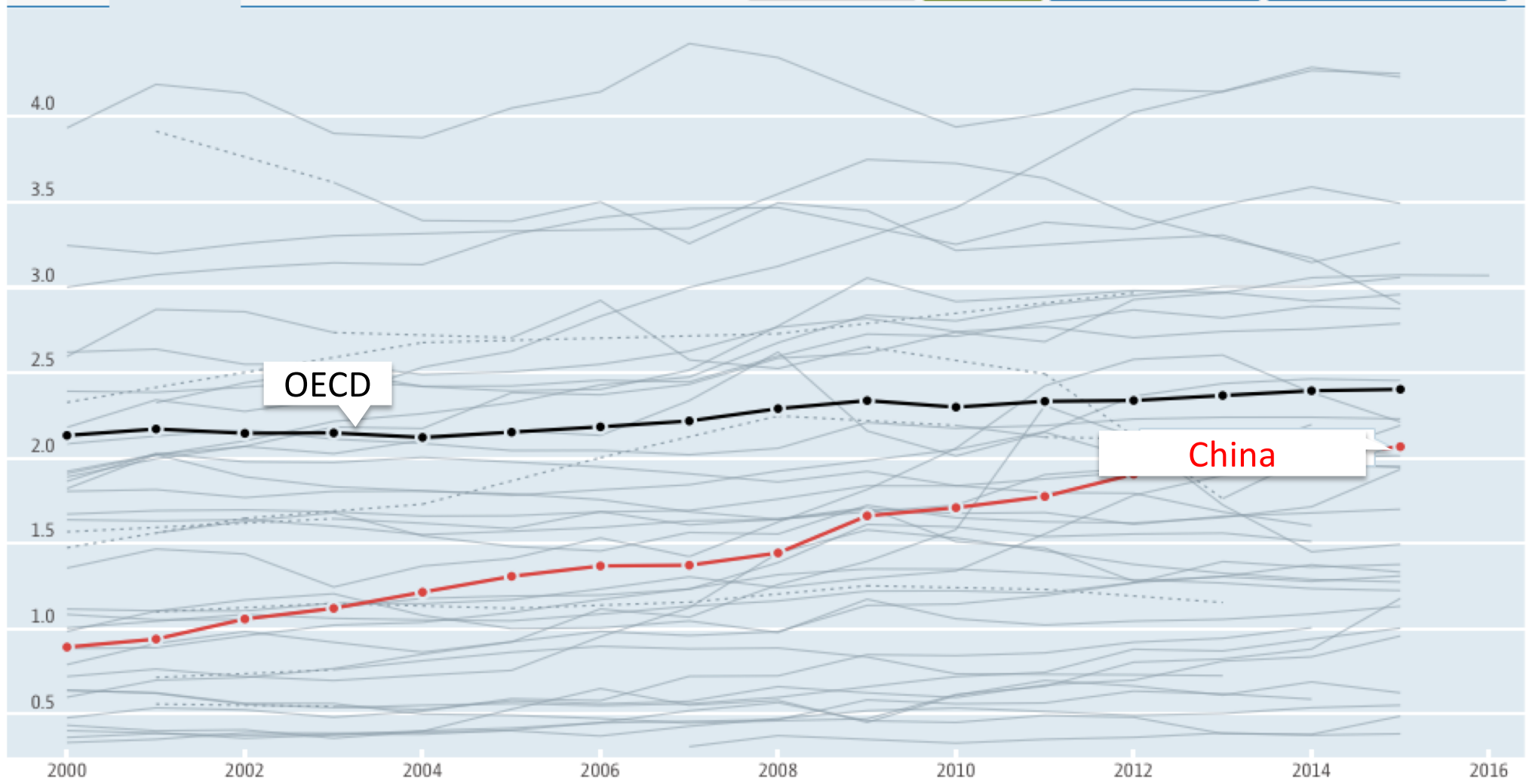
Table

screen

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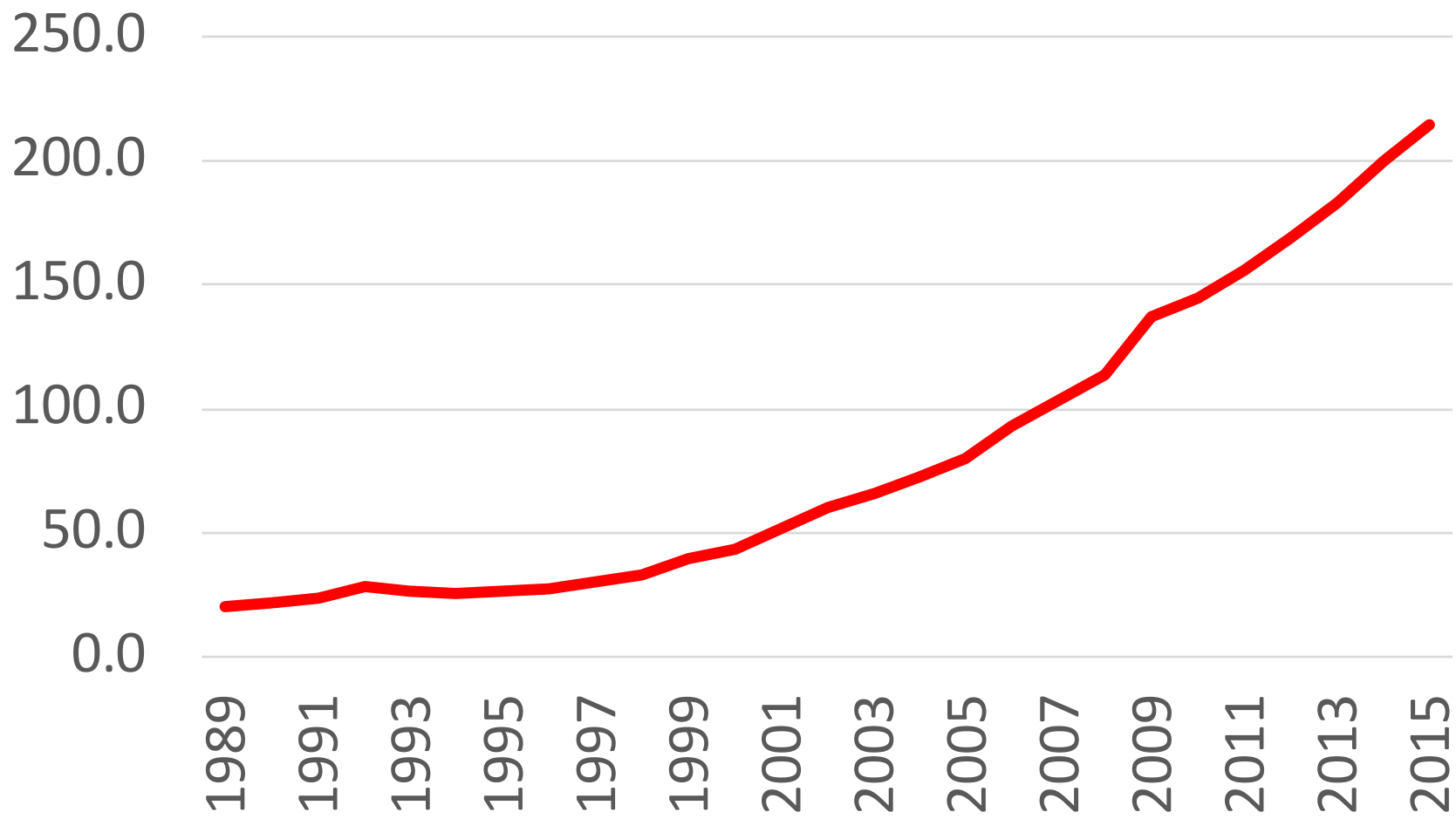
Military Expenditure 2015

Stockholm
International
Peace
Research
Institute

(via Wikipedia)

Rank ↕	Country ↕	Spending (\$ Bn.) ↕	% of GDP ↕
	World total	1,676.0	2.3
1	 United States	596.0	3.3
2	 China^[a]	215.0	1.9
3	 Saudi Arabia^[b]	87.2	13.7
4	 Russia	66.4	5.4
5	 United Kingdom	55.5	2.0
6	 India	53.6	2.3
7	 France	50.9	2.1
8	 Japan	40.9	1.0
9	 Germany^[a]	39.4	1.2
10	 South Korea	36.4	2.6

China's Military Expenditure constant 2014 US\$, trillions



Who Trades the Most?

(\$ b. & % share, 2015)

Exporters			Importers		
	Value	Share		Value	Share
China	2275	13.8	US	2308	13.8
US	1505	9.1	China	1682	10.1
Germany	1329	8.1	Germany	1050	6.3
Japan	625	3.8	Japan	648	3.9
Netherlands	567	3.4	UK	626	3.7
World	16,482	100.0	World	16,725	100.0

Source: WTO, World Trade Statistical Review, 2016, Table A6

Who Trades the Most? (Excluding intra-EU-28) (\$ b. & % share, 2015)

+ = 3813

+ = 3957

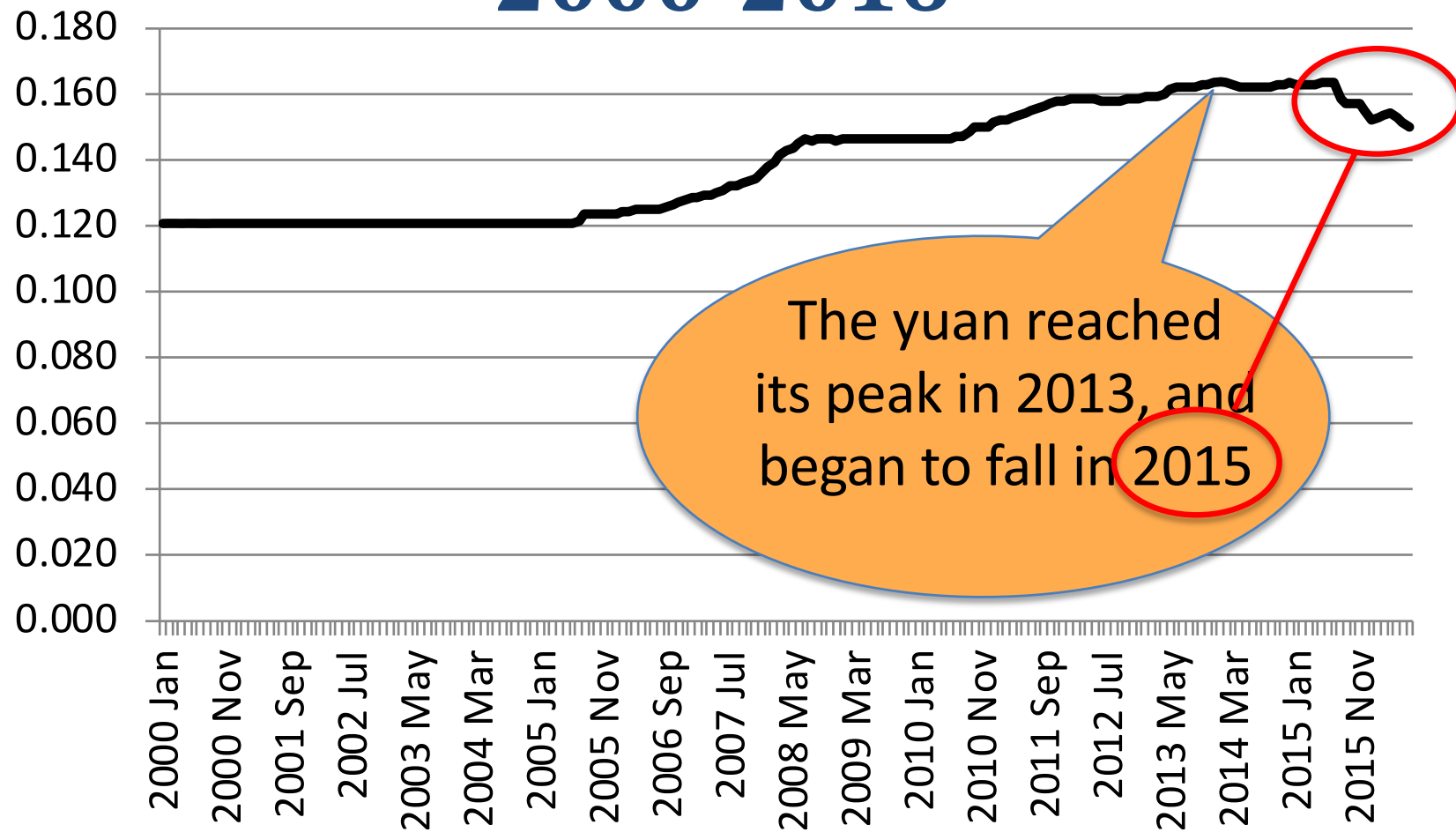
Exporters			Importers		
	Value	Share		Value	Share
China	2275	17.4	US	2308	17.3
EU-28*	1985	15.2	EU-28*	1914	14.4
US	1505	11.5	China	1682	12.6
Japan	625	4.8	Japan	648	4.9
Korea, S.	527	4.0	Hng Kng	559	4.2
World	13,080	100.0	World	13,323	100.0

*EU external only

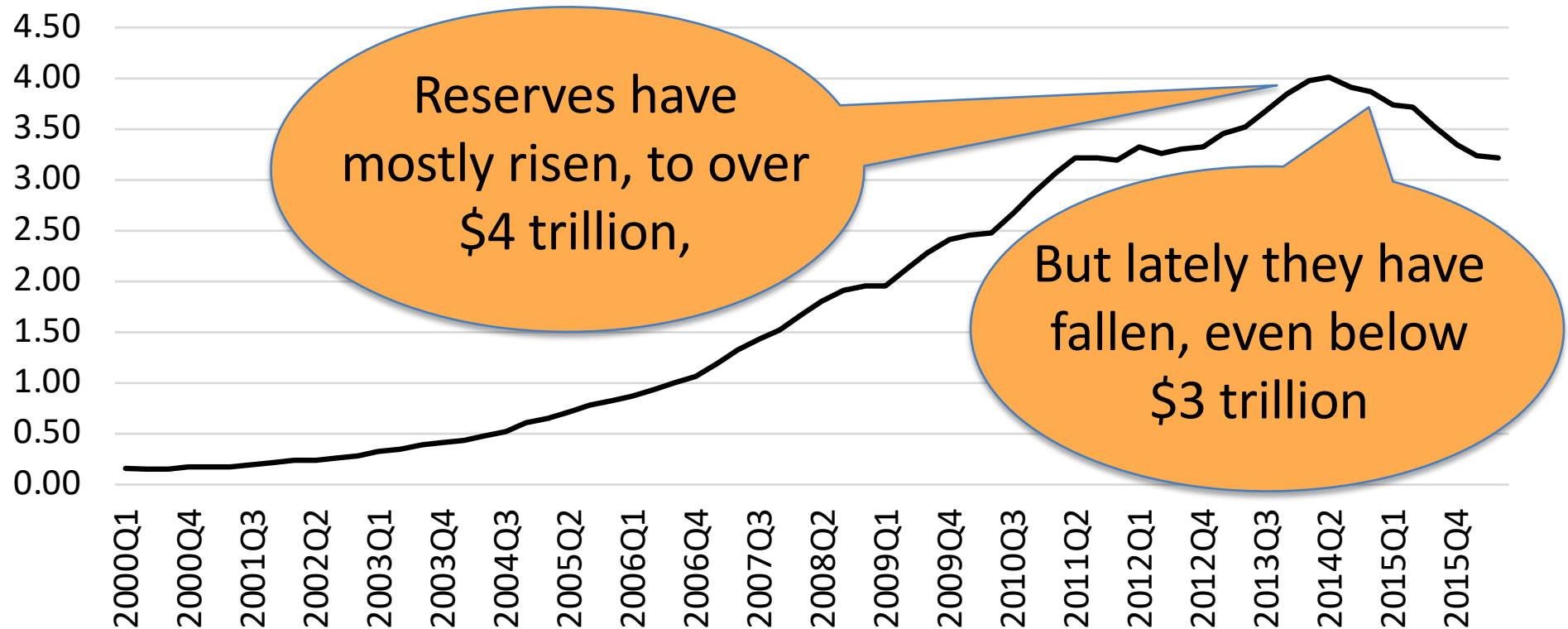
+ = 3899

Source: WTO, World Trade Statistical Review, 2016, Table A7

China's Exchange Rate, US\$/Yuan, 2000-2016



China's Reserves, \$ trillions, 2000-2016



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China's International Initiatives

- RCEP
 - Regional Comprehensive Economic Partnership
 - Free Trade Agreement, being negotiated
 - 16 countries
 - ASEAN 10
 - China, India, Japan, S. Korea, Australia, New Zealand

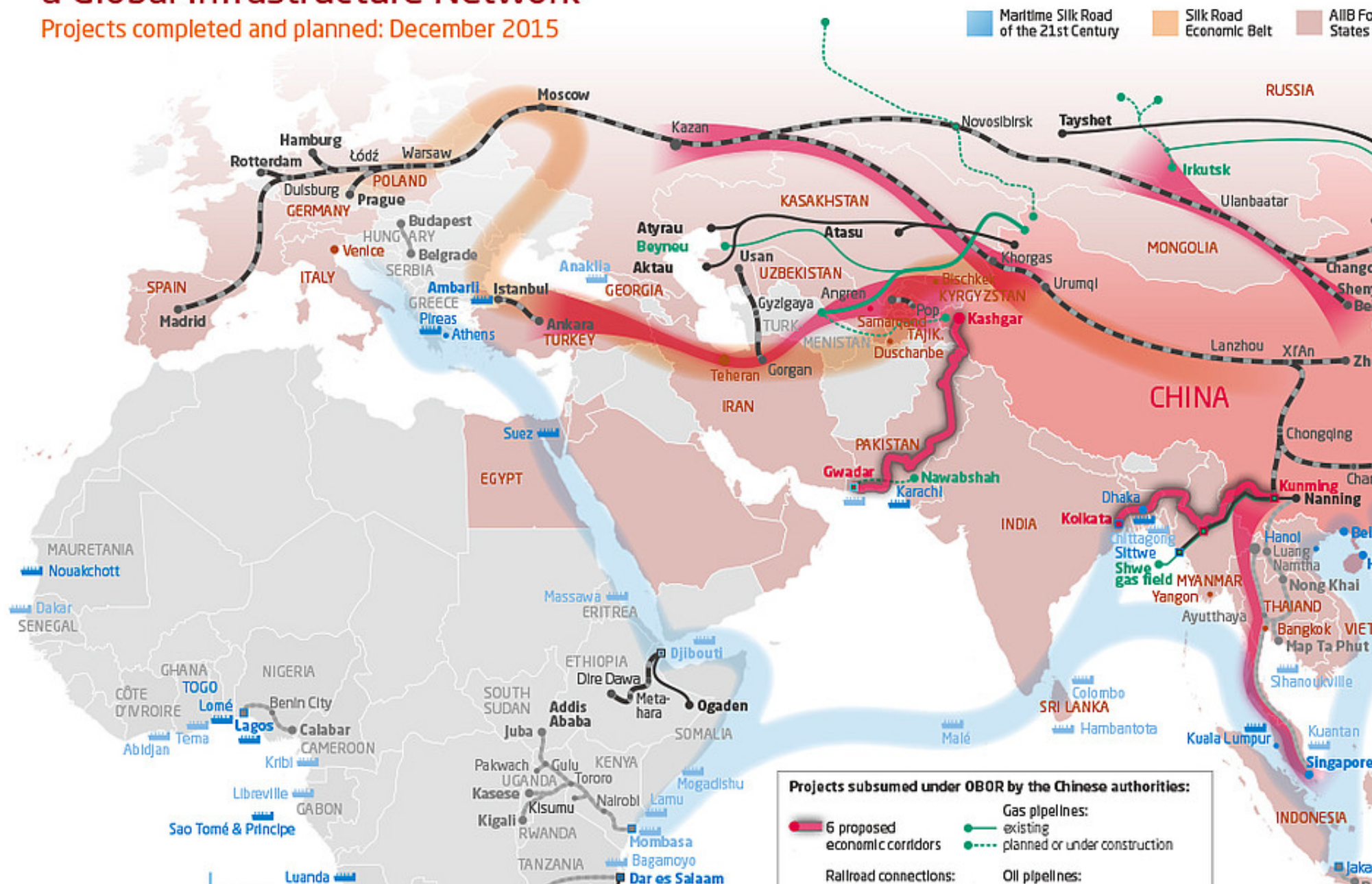


China's International Initiatives

- One Belt, One Road
 - Initiative begun 2013 to expand infrastructure for international trade along:
 - Land route through Central Asia (One Belt)
 - Sea route through Southeast Asia and the Indian Ocean (One Road)
 - To Europe

One Belt, One Road: With the Silk Road Initiative, China Aims to Build a Global Infrastructure Network

■ Maritime Silk Road of the 21st Century ■ Silk Road Economic Belt ■ AIB Focus States



China's International Initiatives

- Asian Infrastructure Investment Bank
 - Development bank focused on “the development or infrastructure and other productive sectors in Asia”
 - Was able to attract 46 founding member countries
 - US tried to persuade others not to join but failed



China's International Initiatives

- Taking the lead on Globalization
 - President Xi stressed the virtues of free trade at Davos

THE WALL STREET JOURNAL

A U.S.-China Role Switch: Who's the Globalist Now?

Xi Jinping sees a window as Donald Trump stirs masses with slogans



Left: U.S. President Donald Trump struck a stridently nationalist tone in his inauguration speech on Friday, a few days after China's President Xi Jinping, right, spoke in favor of globalization at the World Economic Forum in Davos, Switzerland. PHOTO: BLOOMBERG NEWS (TRUMP); ASSOCIATED PRESS (XI)

Some Data on China

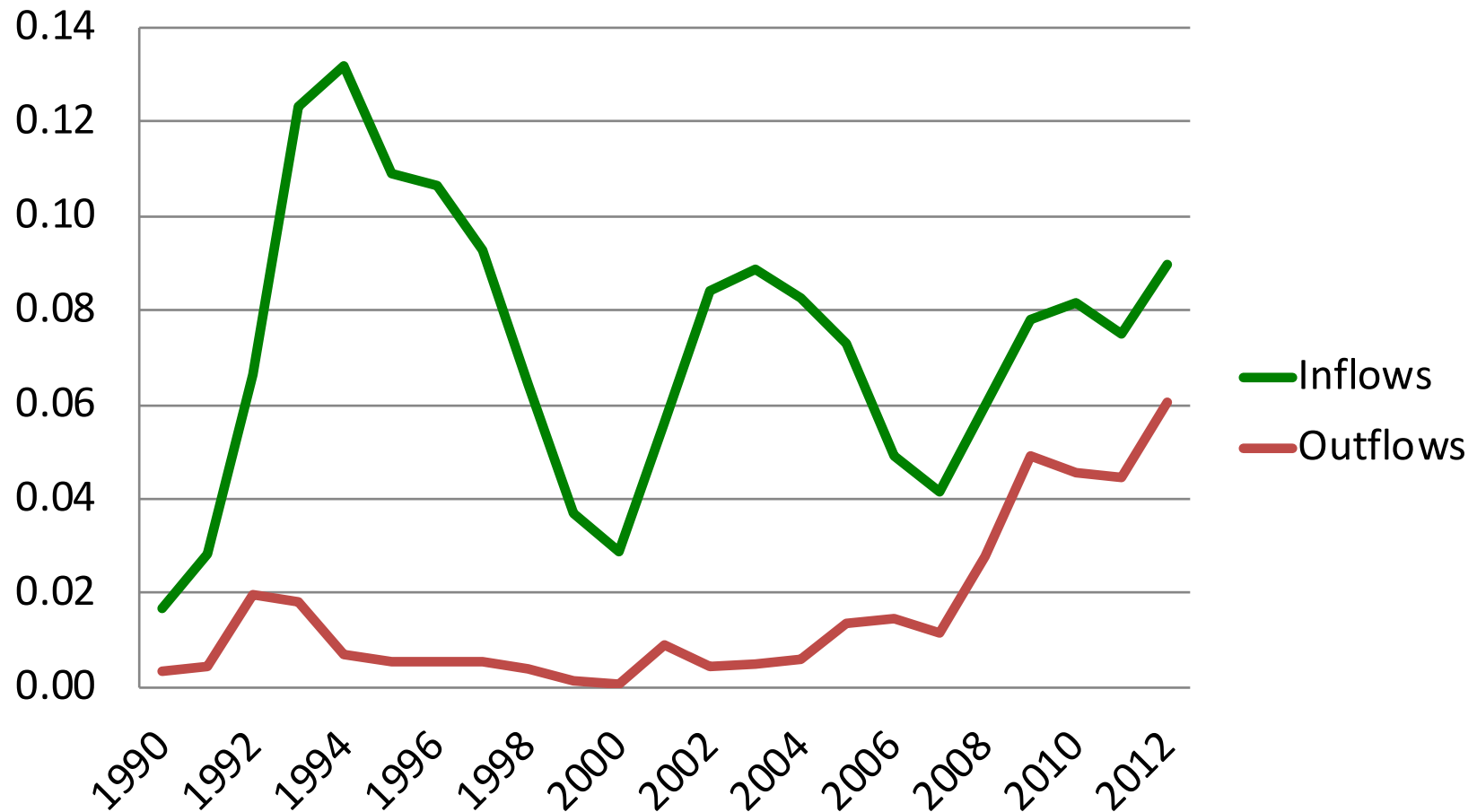
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China's Rankings

- Foreign Direct Investment
 - Outward: #11
 - Inward: #5
 - (US is #2 in both, after EU)



China's Shares of World FDI



- Source: UNCTAD World Investment Report 2013

China's Rankings

- Soft Power
 - #28 out of 30
 - Below Russia
 - Above Czech Republic
 - (Top 5 are US, UK, Germany, Canada, France)

Source: Portland

China's Rankings

- Press Freedom
 - #176 out of 180
 - Below Vietnam
 - Above Syria
 - (Top 5 are Finland, Netherlands, Norway, Denmark, New Zealand)
 - (US is 41)

China's Rankings

- Corruption Perceptions Index
 - #100 out of 175
 - Below Egypt and others
 - Tied with Algeria Suriname
 - Above Mexico and others
 - (Top 5 are Denmark, New Zealand, Finland, Sweden, and Norway)
 - (US is #17)

China's Rankings

- Human Development Index
 - #90 out of 187
 - Below Saint Lucia
 - Tied with Mongolia and others
 - Above Thailand
 - (Top 5 are Norway, Australia, Switzerland, Denmark, and Netherlands)
 - (US is #8)

China's Rankings

- Ease of Doing Business
 - #78 out of 189
 - Below Tunisia
 - Above Ukraine
 - (Top 5 are New Zealand, Singapore, Denmark, Hong Kong, S. Korea)
 - (US is #8)

China's Rankings

- Best Countries
 - #20 out of 80
 - Below Spain
 - Above Ireland
 - (Top 5 are Switzerland, Canada, U.K., Germany, Japan)
 - (US is #7)



China's Rankings

- Global Competitiveness
 - #28 out of 140
 - Below Israel
 - Above Iceland
 - (Top 5 are Switzerland, Singapore, U.S., Germany, Netherlands)
 - (US is #3)

China's Rankings

- Sovereign Wealth Funds by Assets
 - #100 China Investment Corporation - \$814 b.
 - #6 SAFE Investment Company - \$474 b.
 - #7 Hong Kong Monetary Authority Investment Portfolio - \$457 b.
 - #10 National Social Security Fund - \$295 b.
 - (All others in top 10 except Singapore, #8, originate from oil.)
 - (#1 is Norway \$871 b.)

Summary

- China has
 - Surpassed the US, or soon will, in size
 - A long way to go to match US in well-being
 - Growing influence on the world stage