



The University of
Nottingham

School of Contemporary
Chinese Studies

China and Its 12th Five-Year Plan

EMITA 7 October 2010

Professor Shujie Yao

Professor of Economics and Sustainable Chinese Development

Head of School of Contemporary Chinese Studies





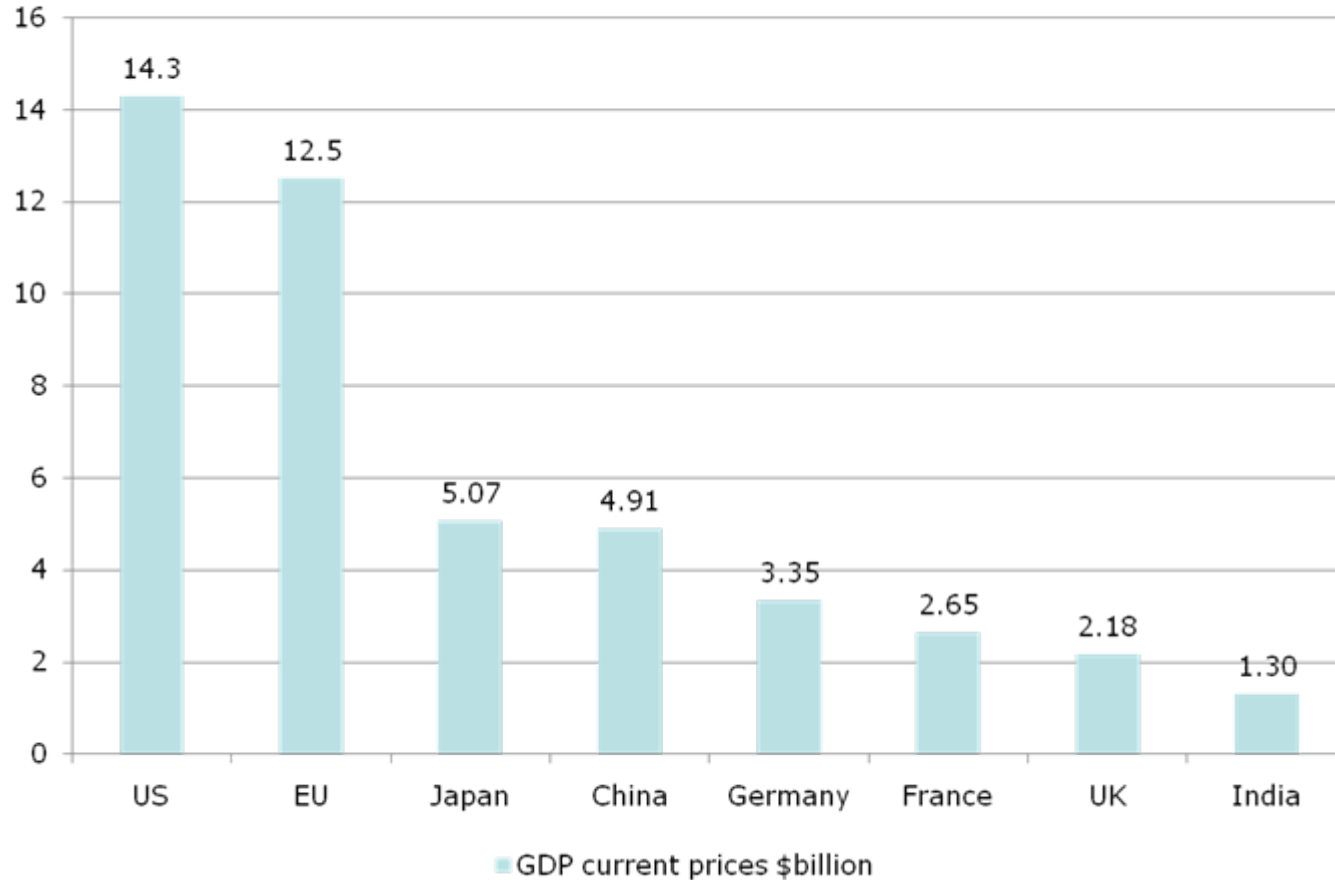
Background: China's 11th FYP (2006-2010)

1. GDP ↑ 11%, 2nd largest economy from 2Q 2010
2. Largest exporter, 2nd largest trading nation
3. Trade surplus 10% of GDP to 3% of GDP (2010, \$120 billion)
4. Foreign exchange reserve \$2.5 trillion
5. State revenue 6.8 trillion RMB (2010, +8trillion)
6. Largest car producer, 13.7 million in 2009 (2010, 17 million)
7. Steel, 580 million tons >> (JP+US)
8. Over 1500 universities, 6.3 million graduates/p.a.
HIE students, 30 million
9. R&D/GDP = 1.5% and rising rapidly

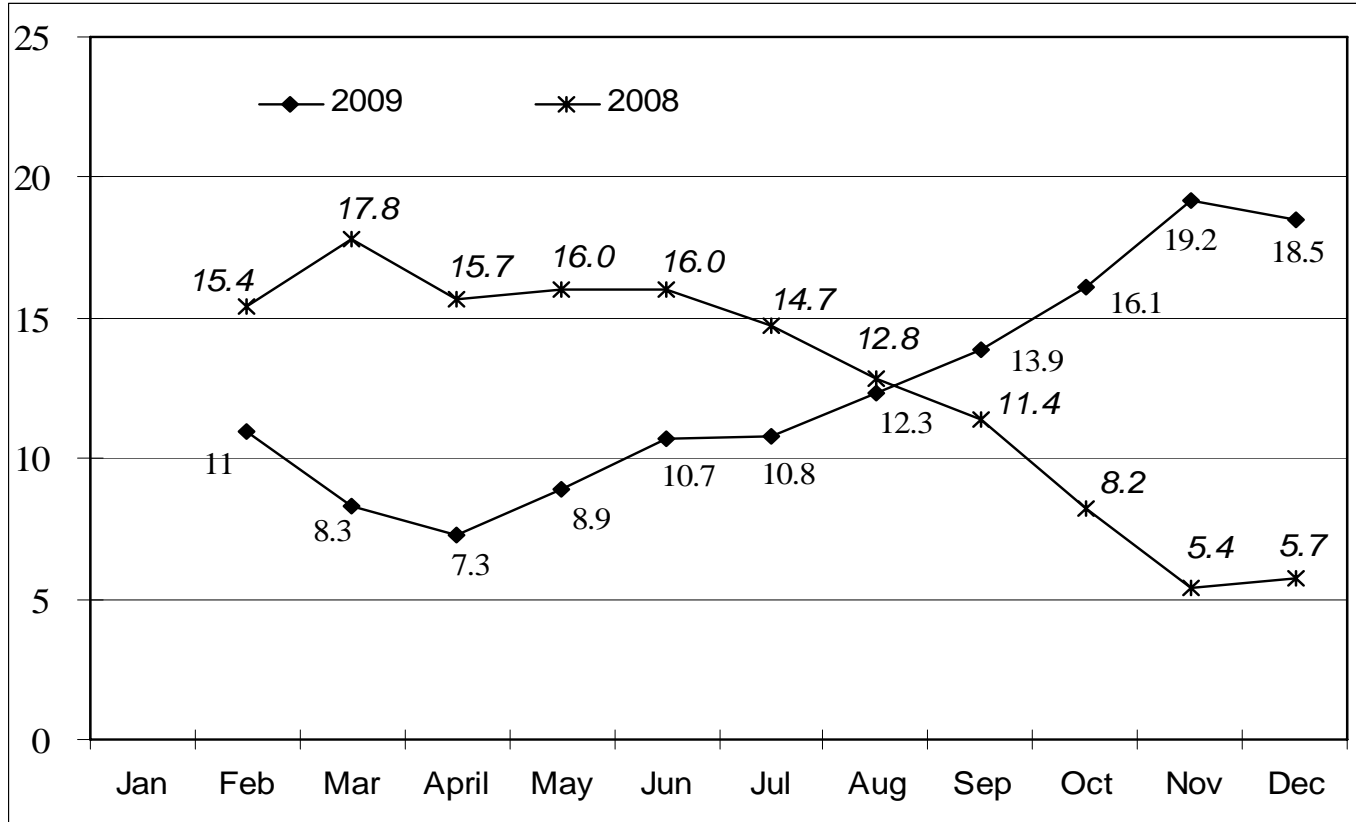


GDP of Major Economies 2009

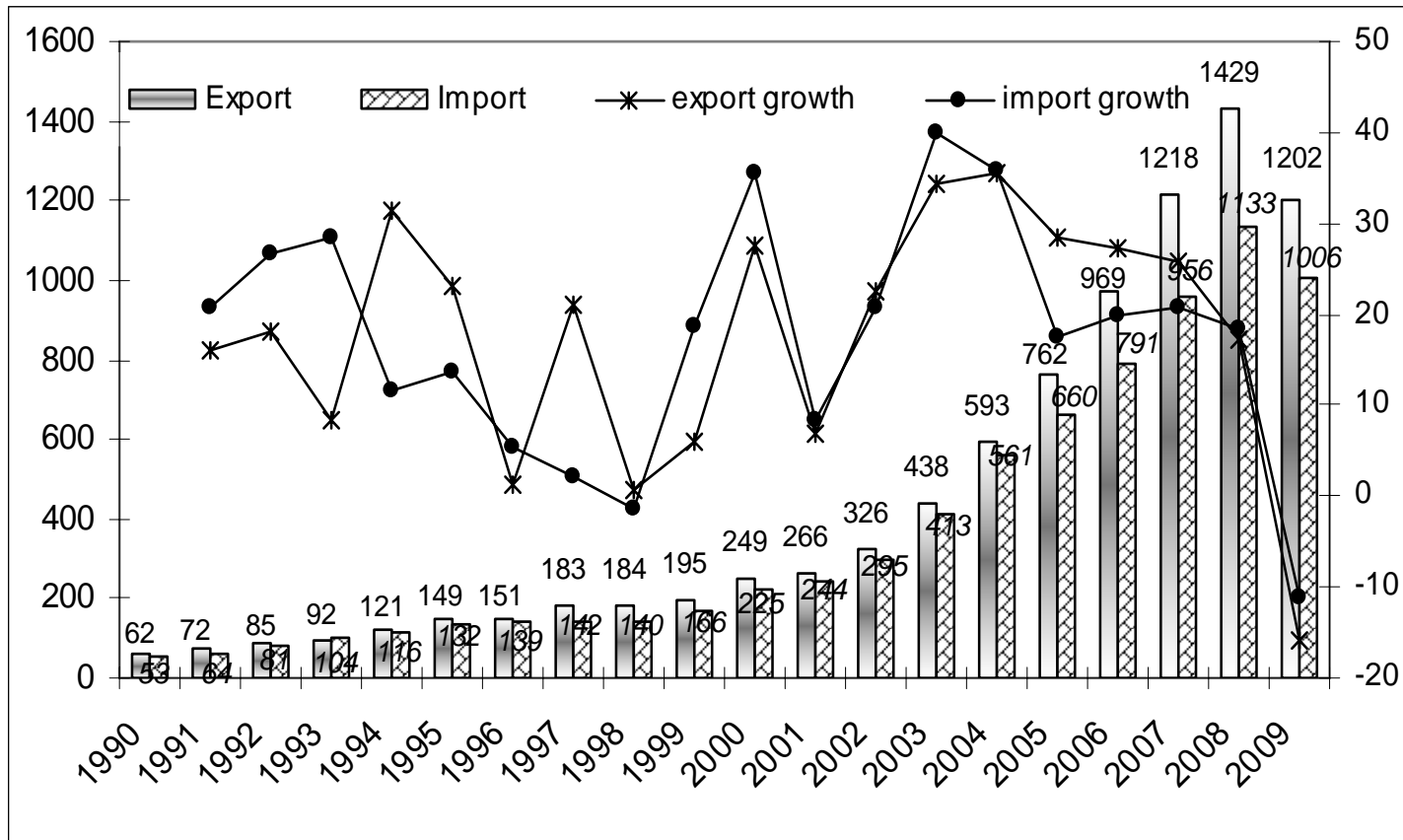
GDP current prices \$billion



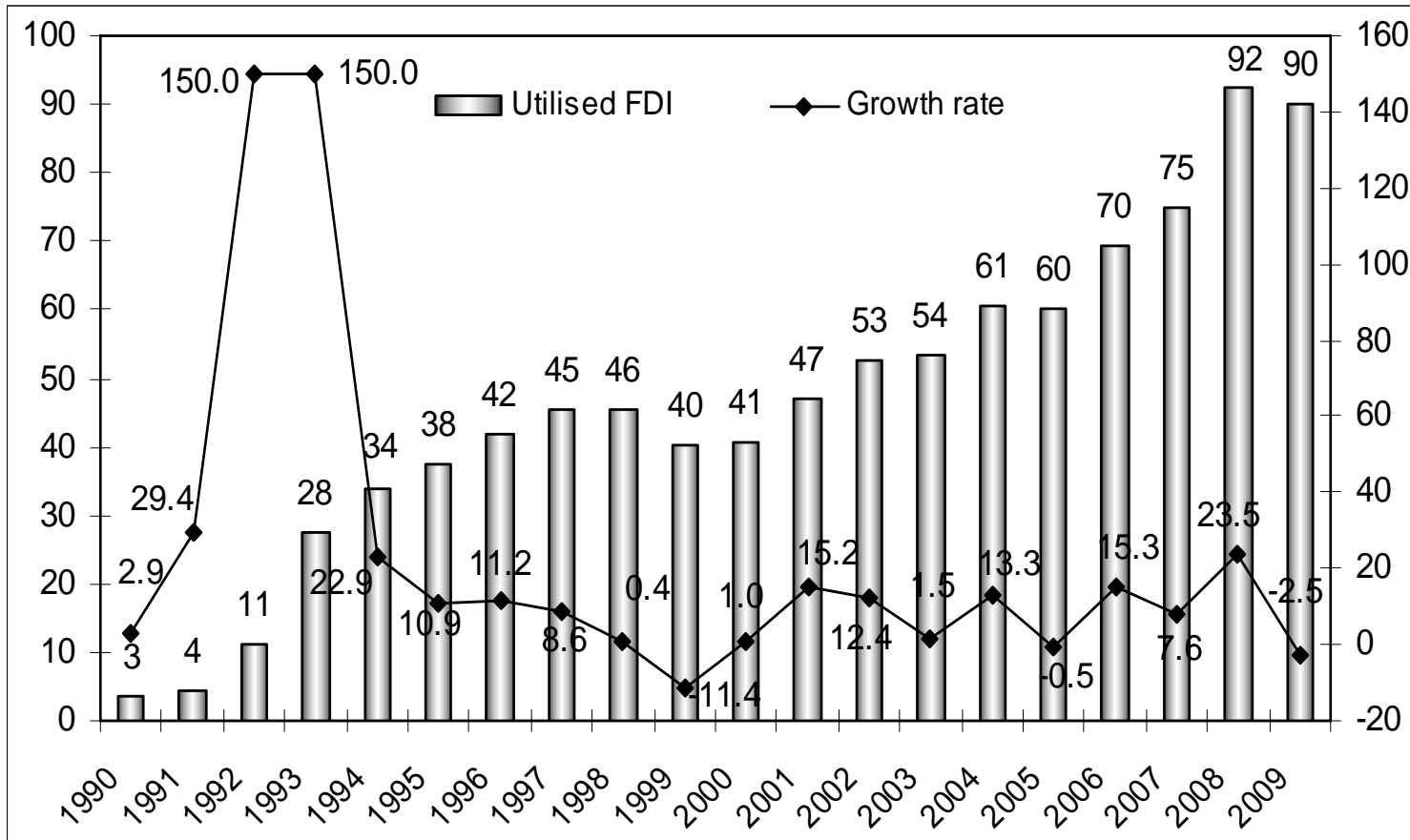
Recovery of industrial production in China (2008-09)



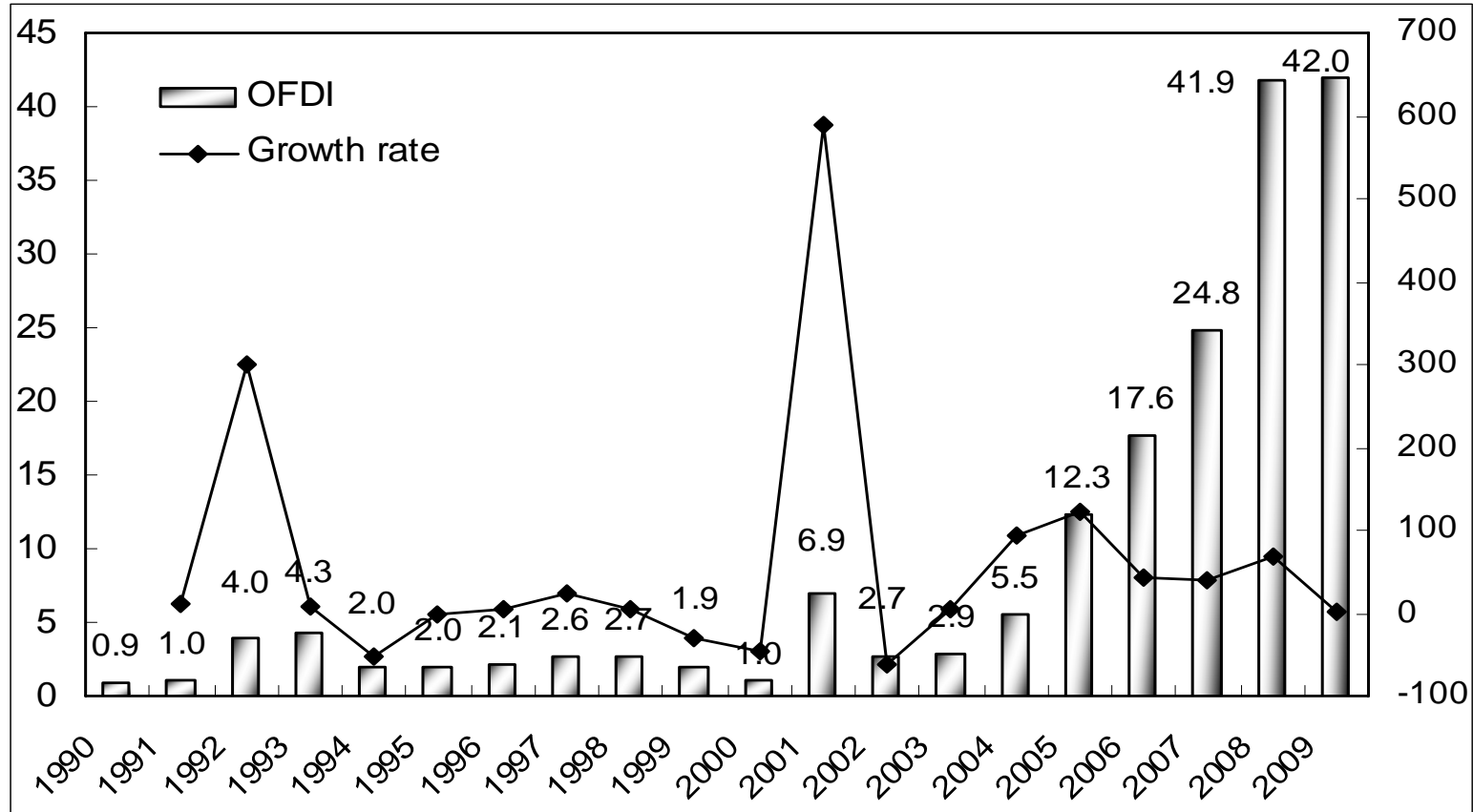
Imports, Exports and Recovery in China



China continues to attract FDI



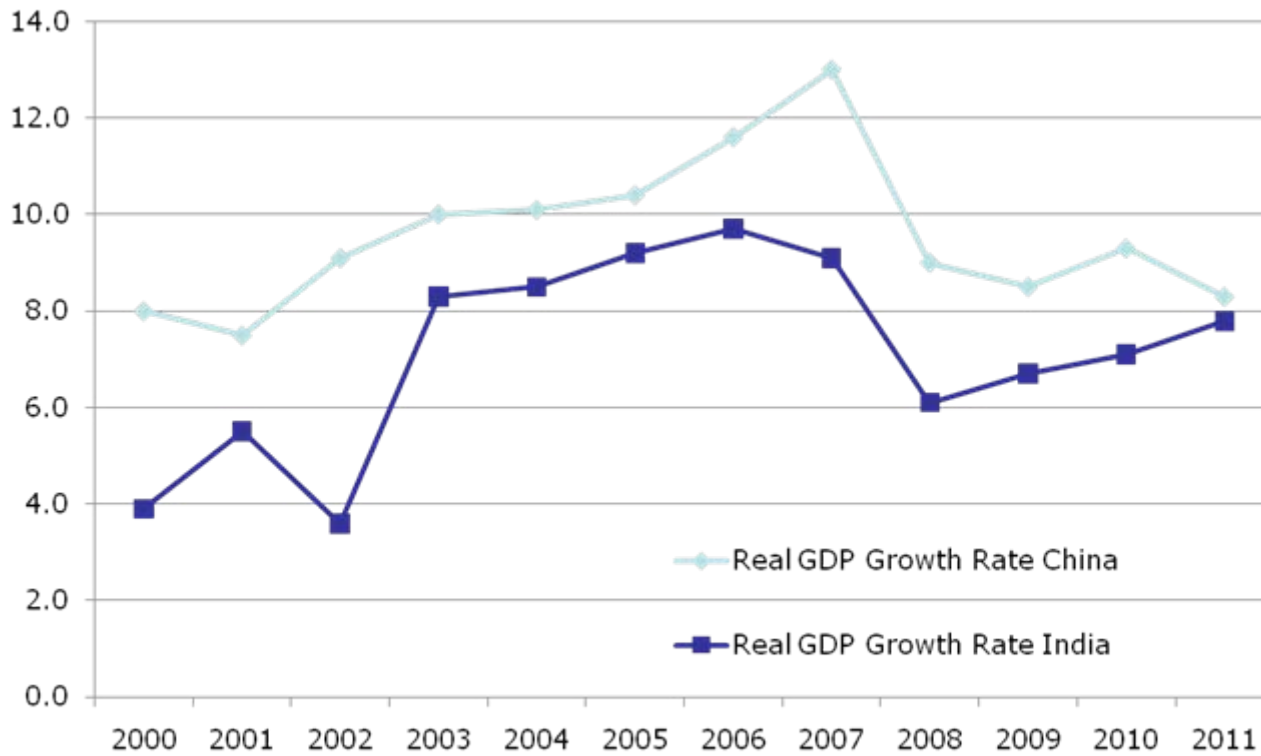
China OFDI : world's 6th largest



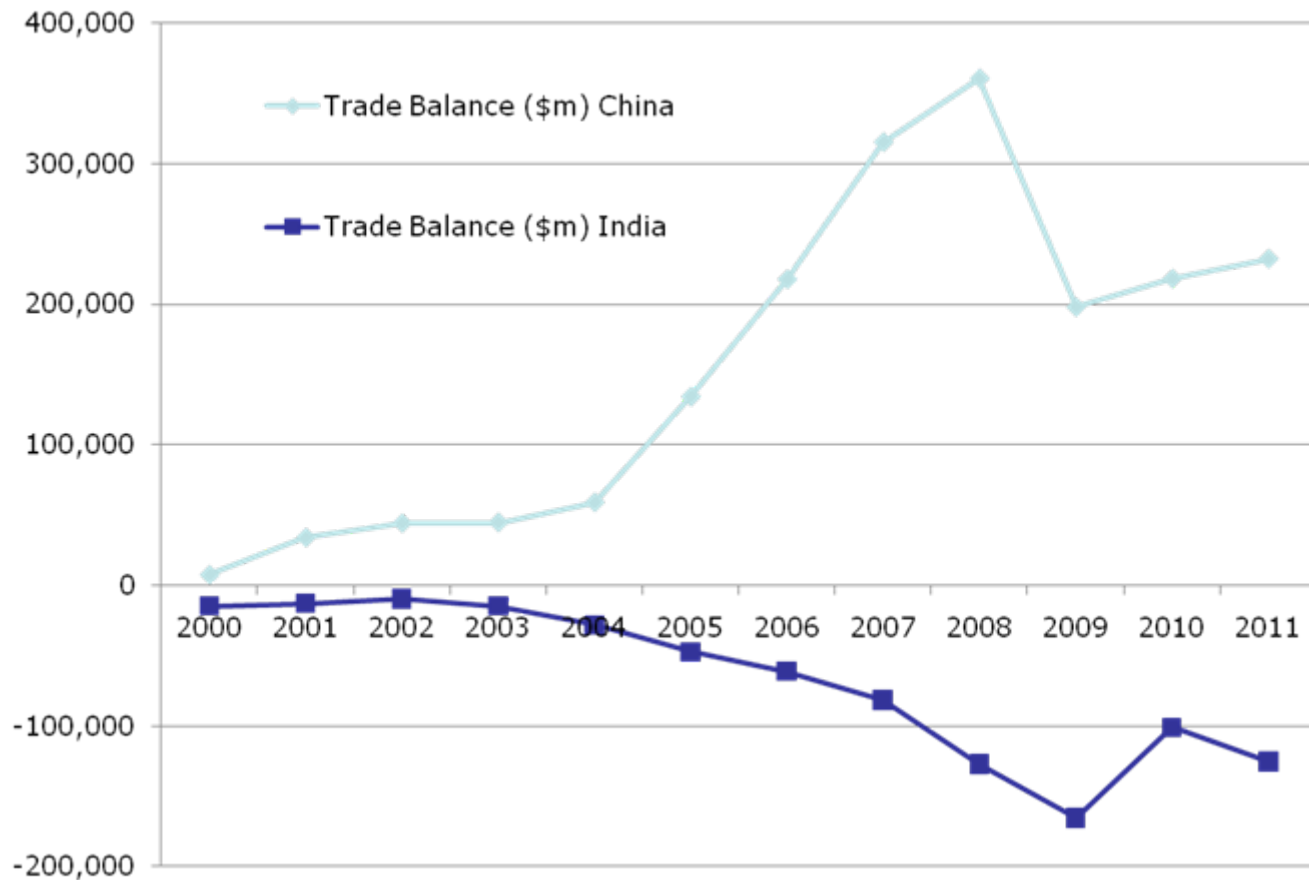
Latest Chinese/Indian Economic Performance

	China	India
GDP Growth %		
2008	9.1	7.5
2009	8.7	6.7
2010H1	11.1	8.7
Trade (\$billion)	(surplus/-deficit)	
2008	2561 (297)	516 (-126)
2009	2206 (198)	400 (-88)
2010H1	1364 (65)	211 (-91)

Dragon and Elephant: Growth



Dragon and Elephant: Trade



Dragon and Elephant: Market



Next five years (12th FYP, 2011-15)



The University of
Nottingham

School of Contemporary
Chinese Studies

High growth near 2-digit level

Largest trading nation

Top three OFDI nation

Largest producer of many industrial goods

PPP GDP, approaching USA

Nominal GDP, 2nd largest, 50% of USA

Challenges

High inflation, CPI +3.5% rising

Painful structural change:
knowledge economy

Environment

Inequality and house prices

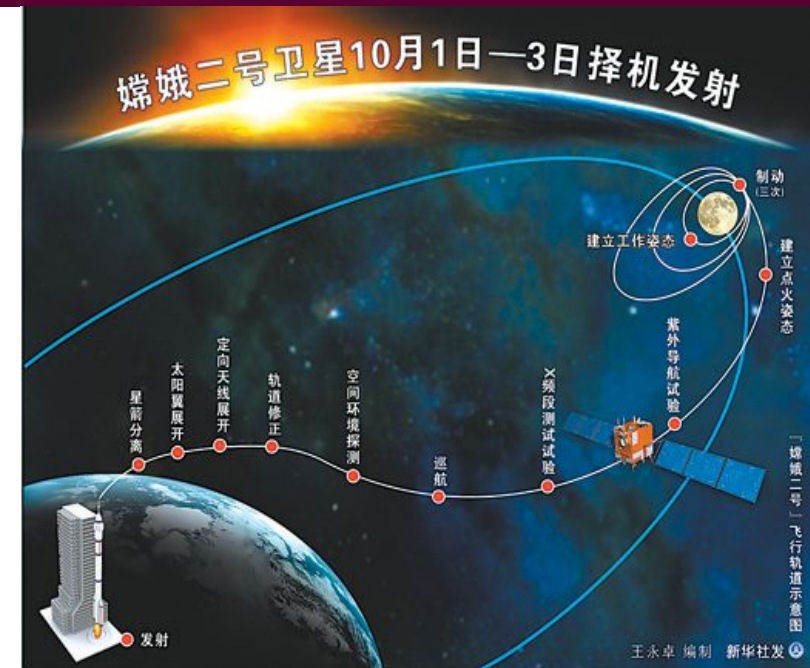
External pressure: RMB/trade balance





2020, S&T, HE & Structural Change

- China & USA
- *Made in China*
to Created by China
- World Class Universities



Chang'e I = (14 days, 200km, 8 changes)

Change'e II = (5 days, 100km, 3 Changes)

Chang'e III = (Landing expected 2013)

Opportunities for western business



The University of
Nottingham

School of Contemporary
Chinese Studies

High-tech manufacturing

Environmental goods and services

Healthcare and medicine

Higher education

What will China do?

Economic structural change

Innovation and technology

Growth quality

Urban-rural, regional balance

Sustainable growth

Social justice and equality

Political reforms

