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Nottingham

School of Contemporary
Chinese Studies

The NEW Business Superpower

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Background: China's economy in 2007 at a glance

1. GDP ↑ 11.7%, 3rd largest economy
2. Trade ↑ 29% (\$2.2 trillion), 2nd largest
3. Trade surplus ↑ 47% (\$262 billion)
4. Foreign exchange reserve \$1.53 trillion
5. State revenue ↑ 30%, 5.1 trillion RMB
6. Motorways, 45,000km
7. Phones, over 900 million
8. Steel, 500 million tons >> (JP+US)
9. Largest producer of many products
10. Over 1500 universities, 5 million graduates/p.a.
11. R&D/GDP = 1.5% and rising rapidly

**Fig 1 Moon-Goddess I Satellite
& her earth-moon orbits**

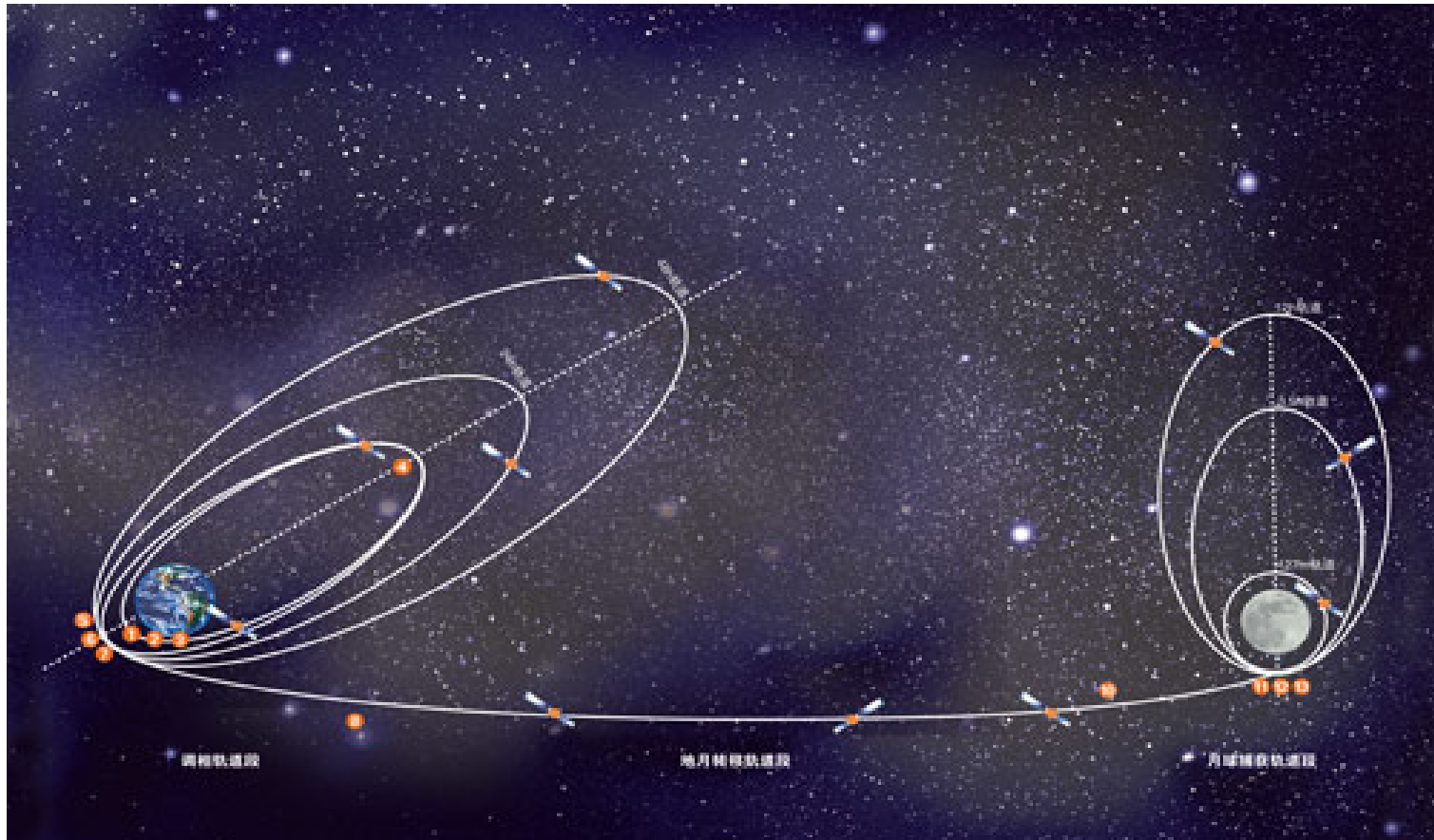
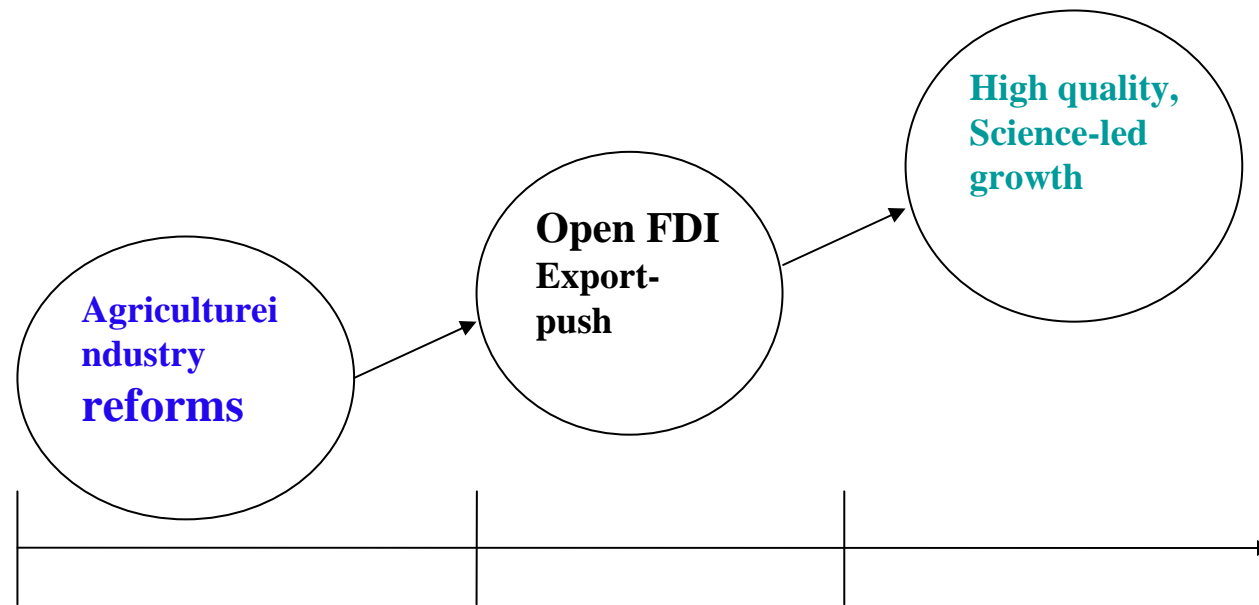


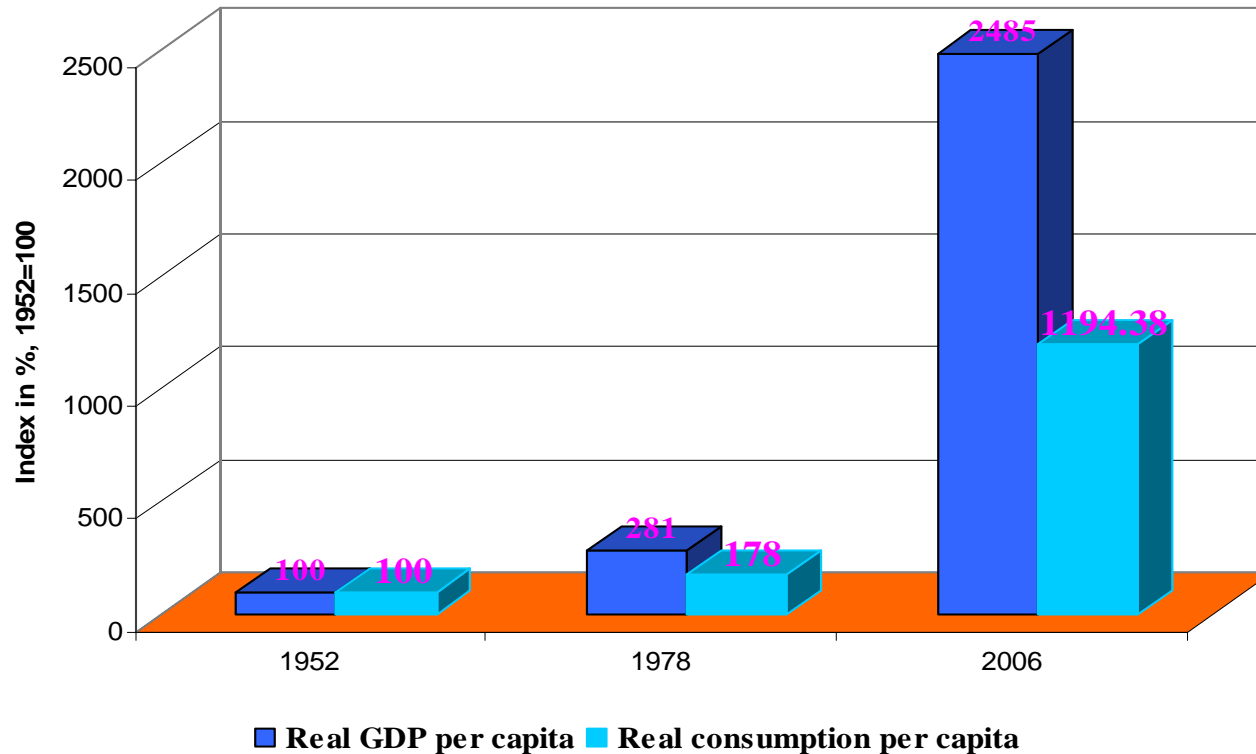
Fig 2 Development time path, strategies and goals of China



| | | | | | | |
|----------------|--------------------|---------------|-------------------------------|-------------|-------------------------------|-------------------|
| 1978 | (1st Stage) | 2000 | (2nd Stage) | 2020 | (3rd Stage) | 2038-50 |
| Poverty | | Wenbao | All-round Xiaokang | | | Superpower |

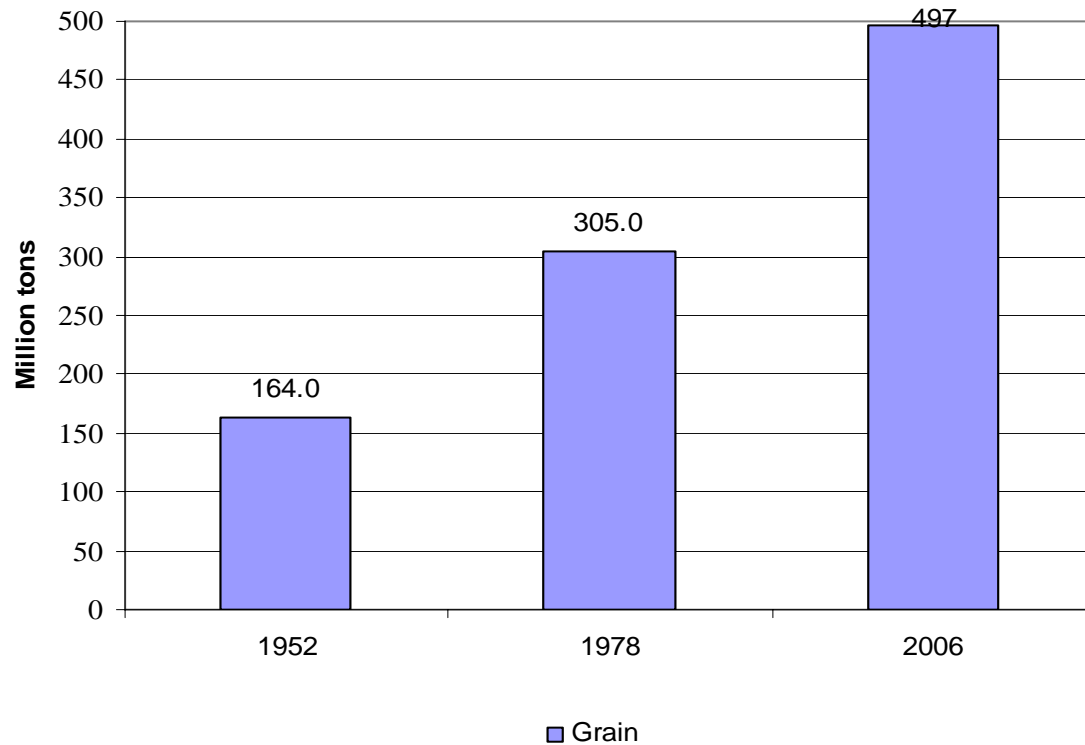
- **Rapid per capita GDP and consumption growth**

Real GDP and consumption per capita 1952-05

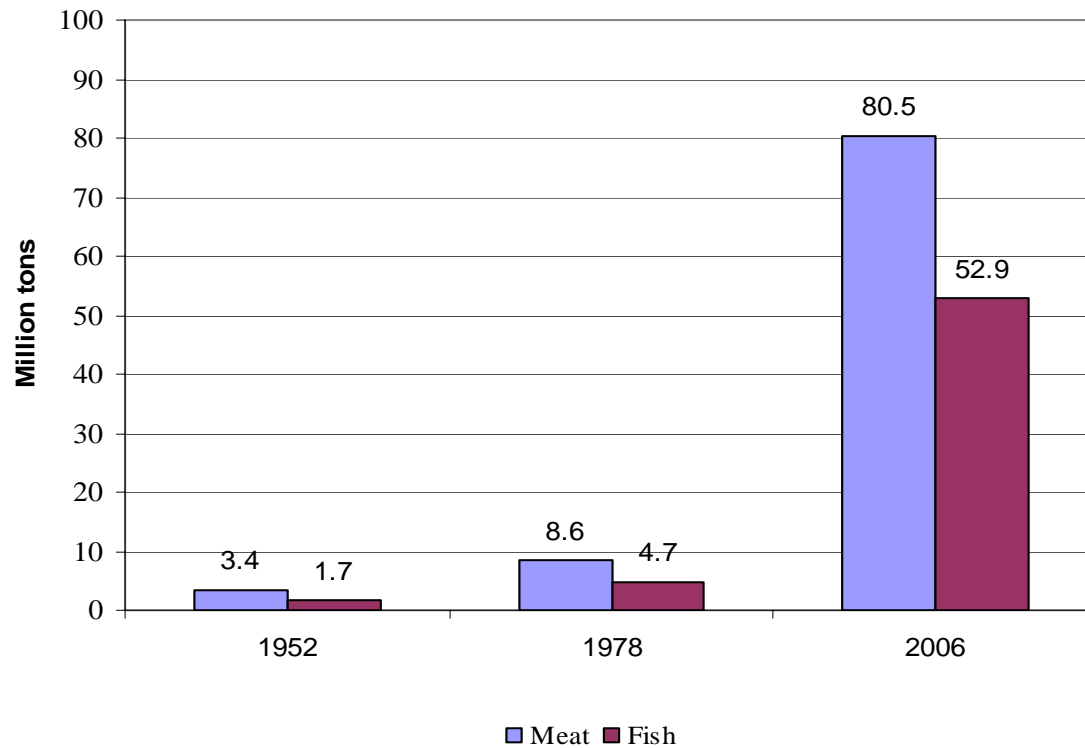


Largest producer of key I&A products

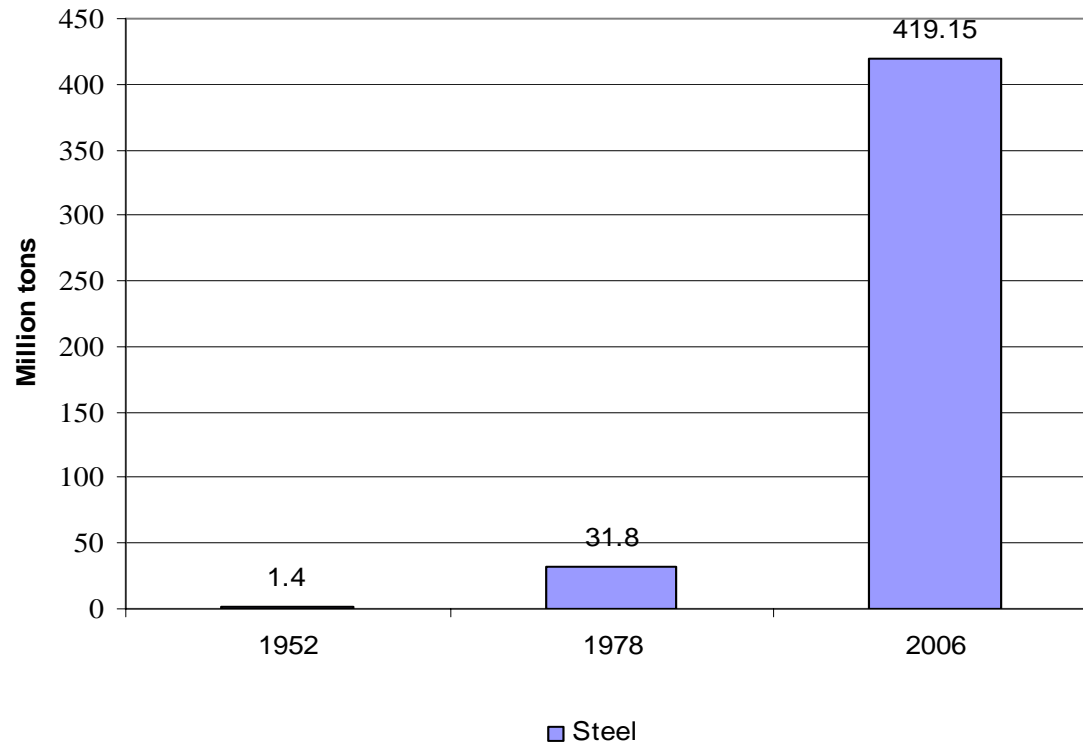
Grain production feeds
1.3 billion people



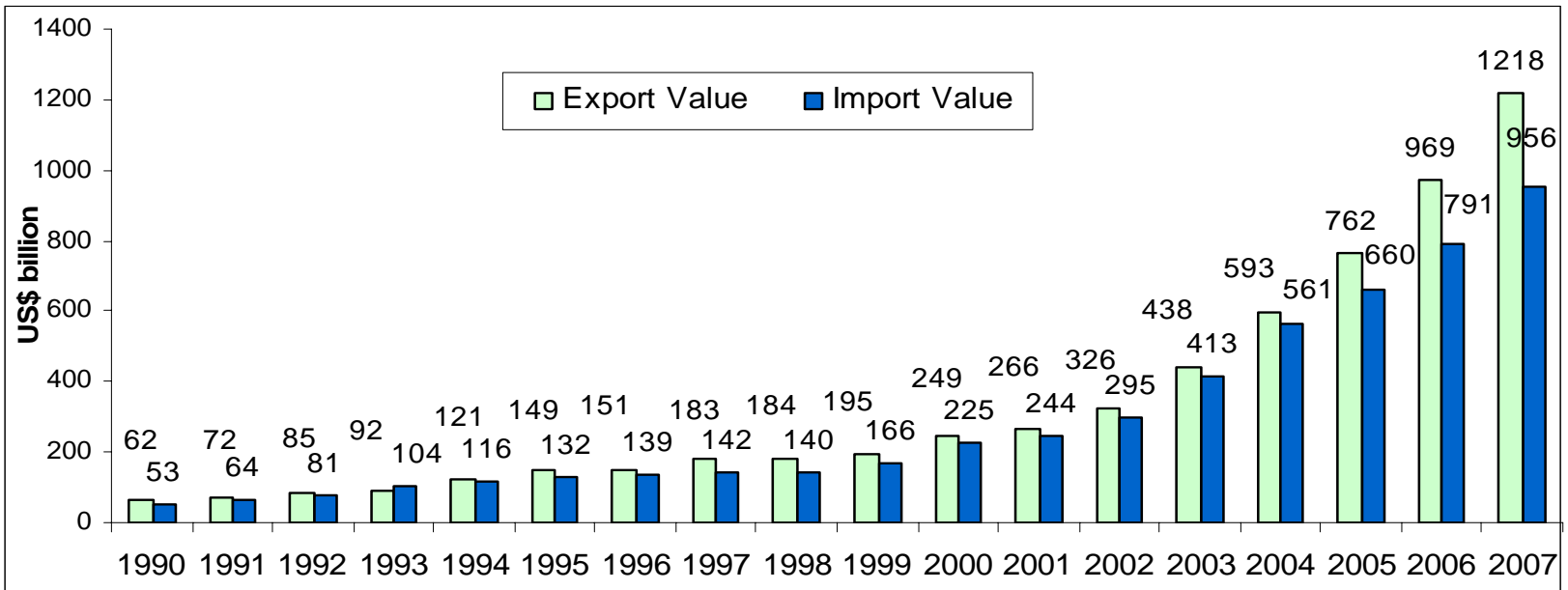
Meat and Fish production improves diet and nutrition



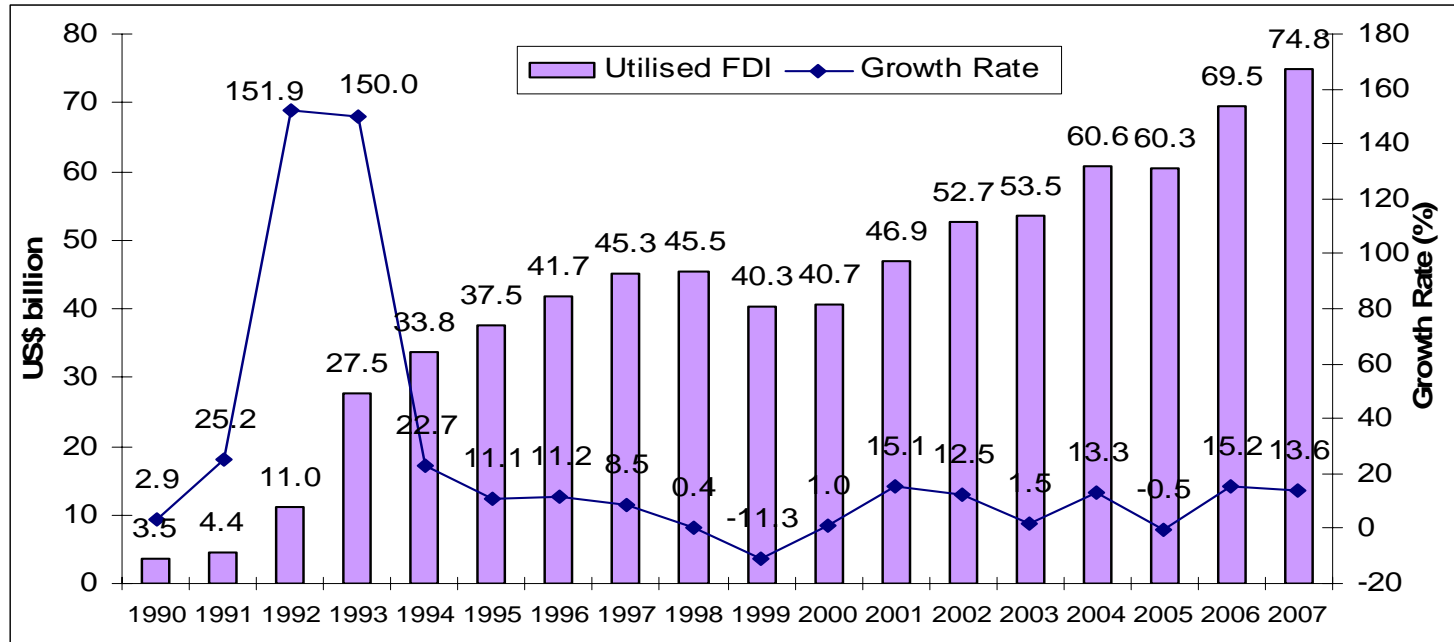
Steel production makes China big and strong



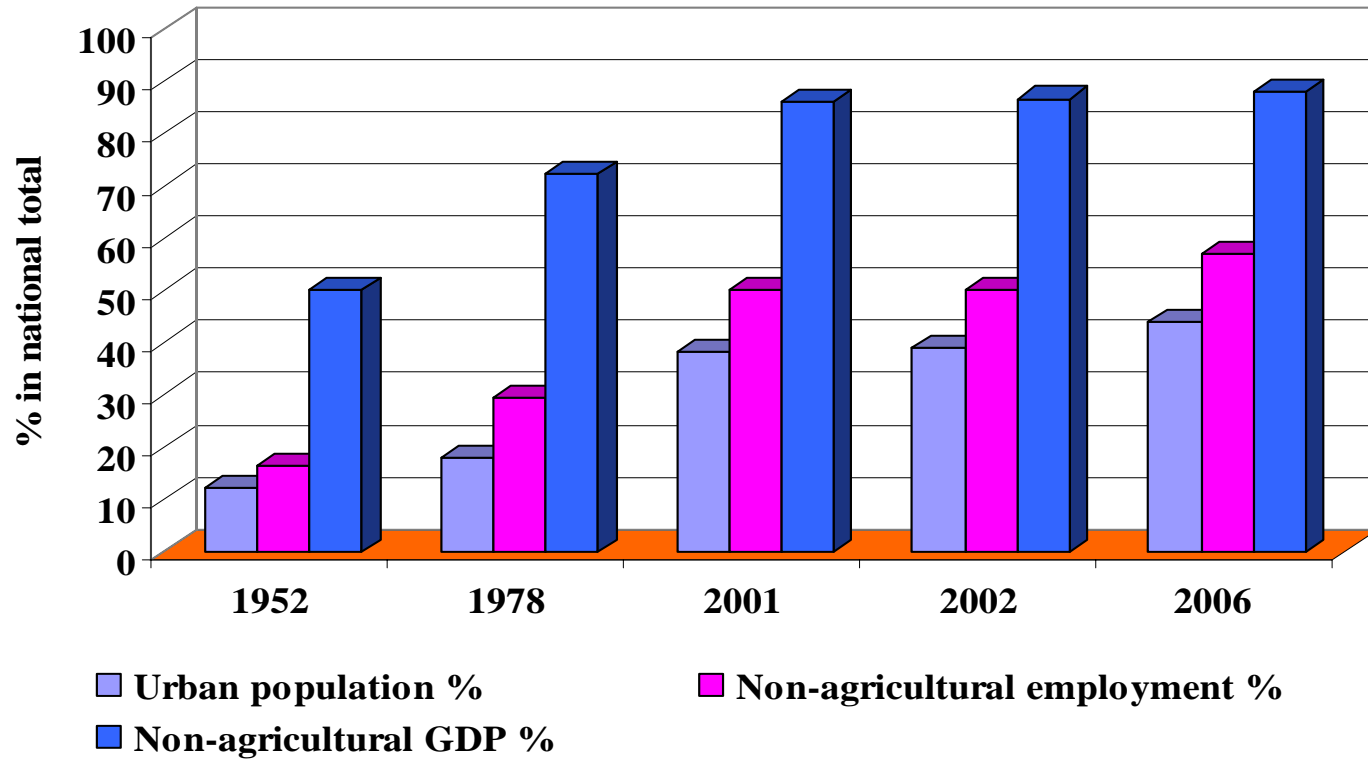
Exponential growth of trade makes China the world's growth engine



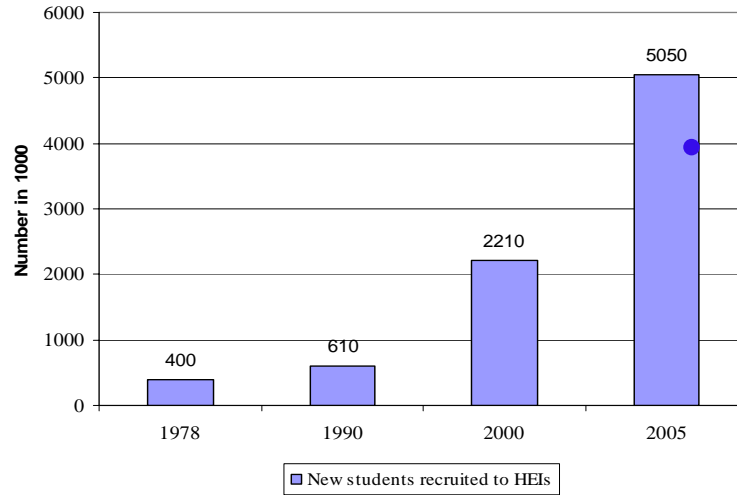
- Massive FDI inflows makes China attractive to MNCs



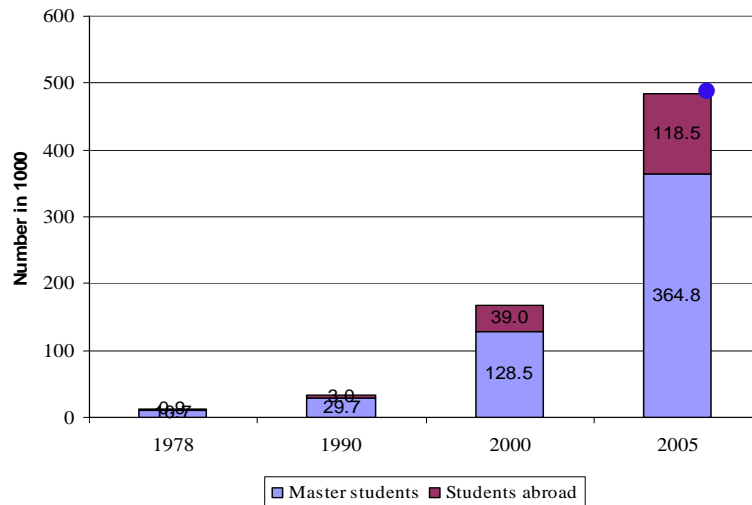
- **Rapid industrialization and urbanization**



Education is important for China



Undergraduate students recruited rose 12 fold



Master and studying abroad students rose even more rapidly

Challenges



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Over-dependency on energy and
Materials

Environmental pollution

Inequality and corruption

Current Financial Crisis

- US's financial trouble

Lehman Brothers, Merrill Lynch, AIG
Fannie Mae and Freddie Mac



- UK: Northern Rock, HBOS, Housing Market
- How about China?

SSE Composite Index



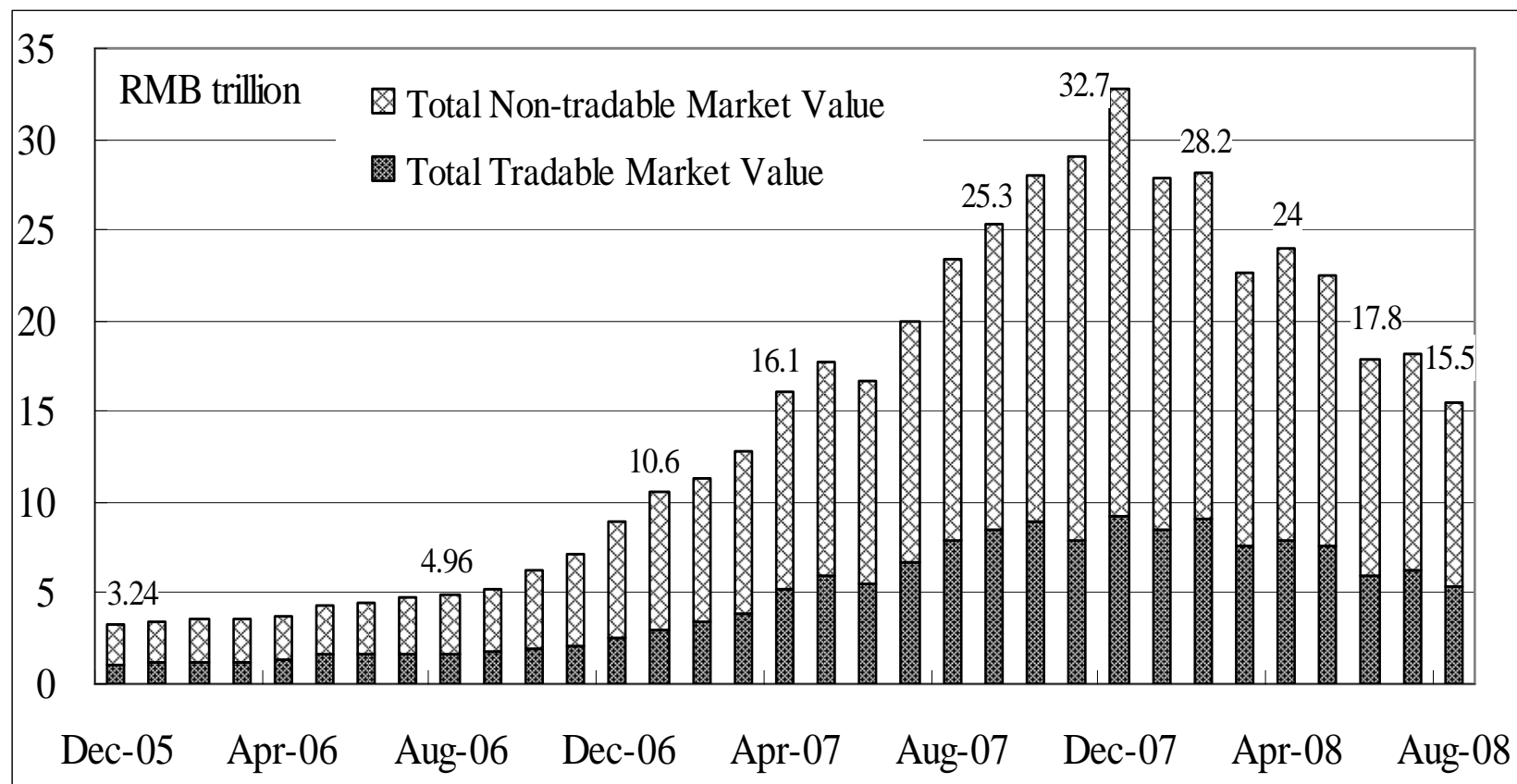
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Values of China's Stock Markets



Can China Decouple from the Current Crisis?



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- Financial system not as globalized
- 30 years of strong growth
- China differs from US and EU (central state control)
- China's economy based on manufacturing
- High savings and hard working culture