"Dimitrie Cantemir" Christian University
Knowledge Horizons - Economics
Volume 7, No. 2, pp. 31–37
P-ISSN: 2069-0932, E-ISSN: 2066-1061
© 2015 Pro Universitaria
www.orizonturi.ucdc.ro

CHINESE "NEW NORMAL" AND SOME OF ITS EXTERNAL OUTCOMES

Sarmiza PENCEA

Institute for World Economy, Romanian Academy, Bucharest, E-mail: pen_sar@yahoo.com

Abstract *While the "old normal" of Chinese economic success is no longer feasible, a "new normal" is taking shape in Chinese economic rhetoric, policies and realities. To better understand its meaning and outcomes, we first delineate what the "old normal" was, and then we try to briefly define the "new normal" against this background. The main focus of the paper is on the external implications of China's shift of emphasis from investment to consumption, from factor-driven, to innovation-led growth, and from foreign to domestic demand, which from a global perspective is, in fact, a fundamental departure from the present global model of China being the "world factory". We capitalize on the most recent information in the field, as well as on the accumulated knowledge on the subject from the scientific investigations carried out by other researchers, both Westerners and Chinese, trying to push further our own previous research findings.*

Key words:
China, economic rebalancing, economic reforms, new normal, development model, world factory, external outcomes

JEL Codes:
E21, E22, E23, F21, O53

1. Introduction: the broad picture of the "old normal"

During the recent over three decades, China has been deploying an impressive catching up drive, aiming at regaining the statute of a great global power which it had lost about two centuries ago. If around the year 1830 it was the largest economy on Earth, a rich, powerful and "… *probably the best governed in the world*" (Kirby, 2010) empire, during the following years, just as the Western world was living the effervescence of the industrial revolution, China has continually declined, so that, by the end of the 1970s, it had become one of the poorest countries worldwide, running the risk of economic collapse. The reforms initiated then by Deng Xiaoping (1978), the leader who believed that poverty could be alleviated only by adopting the market economy system and by intensifying the economic exchanges and cooperation with the rest of the world, have completely turned around the course of Chinese economy and history, opening the path of its astounding accomplishments in the following decades.

The gradual reform process, developed prudently, with careful steps ("*crossing the river by feeling the stones*"), did not follow a pre-established strategic master plan, but it rather unwound as a searching process, consisting of many try-and-error sequences in which the international development good practices were capitalized on, adapted to the Chinese economy and society specifics, and completed with new institutional construction ideas (Pencea, 2011). As such, the development path was discovered step by step, learning by doing, moving from simple to complex, from rural to urban, from pilot projects to policies applied all over the country.

According to conventional wisdom, catching up requires rapid economic growth and reforms. In its turn, quick economic growth needs a growing aggregate demand, which depends on the increase of one or more of its components – domestic consumption (households + government), investments, or net exports – and it is not of no importance which of these components become the main engine of growth, in one country or another, or in the different stages of their development process (Zhu & Kotz, 2010). On this line, one of the main ideas extracted by China from the international practice might probably have been the one that catching up depends on substantially *investing* in manufacturing and infrastructure so that, on the one hand, the rural labour surplus is absorbed into the capital-intensive industries developed in towns, and, on the other hand, substantial competitive *exports* become possible, so that the returns from exports are further invested in industrialization and economic upgrading. Additionally, in China's case, the *investment-and-export-driven growth model* resulted aimed at gradually reducing the size of planned economy and state control over economic activities, while fostering private ownership and market economy.

As it is well documented, the development path followed by China has generated great results in its catching-up endeavour: its 10% annual average growth of three decades in a row is an unique accomplishment in economic history and consequently China now ranks second only to the USA among the world's largest economies, it ranks the first manufacturer and the top trader of goods globally, the second most important destination for global investors and the third largest source for outbound direct investment. It also dominates many of the world's markets and it cumulates the largest ever foreign reserve.

According to Palley (2005), in China the export-and-investment-led development model and the building of a market-based economy were backed by *an explicit strategy of internal and external capital accumulation.* The most important in terms of its role in the country's economic development, the internal capital accumulation relied, on the one hand, on the *precautionary saving* by households and, on the other hand, on the *financial repression mechanisms* of banks: while Chinese population saved substantial amounts of their income to cover for the shortage of public goods (education, healthcare), pensions and social benefits, state banks used financial repression (very low or negative interest rates for deposits, plus low to zero interest rates for loans) to transfer wealth from households, to privileged state companies. In other words, the households, captive of the state banks for lack of alternatives to place their savings, were deliberately and systematically forced to finance the investments in state-owned enterprises (SOEs) (Palley, 2006).

The external capital accumulation rested on attracting *foreign direct investments* (FDI), the instrument used to bring in capital goods and technology in a country suffering from historical foreign exchange shortage, without increasing its external indebtedness and the derived constraints on growth. FDI made a remarkable contribution to job creation, raising skills, transferring technological, managerial and organisational know-how to China, paving the way for sizeable and increasingly competitive exports of manufactured goods. In time, growing exports have generated an increasing trade surplus which contributed to the built-up of the largest foreign exchange reserve in the world (USD 3.8 billion, by the end of 2014) (Trading Economics, 2015). While this huge external reserve has protected China during the 2008-2010 global economic and financial crisis and became an important source of its raising outbound direct investments (ODI) thereafter, it was, at the same time, the expression of a significant external imbalance, embodied either in large commercial surpluses in the bilateral trade relations with some partner countries, or in the strange situation in which a country with low income per head, such as China, has turned into the most important creditor of a very rich country like the USA.

If China's external capital accumulation drive has generated external imbalances and anomalies in its bilateral relations, its internal capital accumulation effort was also at the root of other important imbalances. Financial repression allowed cheap credit expansion to the benefit of state companies and large infrastructure projects, but it has also encouraged the discretionary use of capital, wastage, corruption, unbalanced sector development, overcapacities and pollution in certain industrial activities. At the same time, the large number of small and medium size enterprises (SMEs) in the private sector did not get access to such cheap credit sources, being disadvantaged in market competition and pushed towards *shadow banking* - a high-interest, parallel, unofficial and unregulated system - which has, as a consequence, skyrocketed to 60% of the overall Chinese credit in RMB, endangering the entire banking and financial system (Reuters, 2014).

On the other hand, although China's unprecedented achievements in economic development led to outstanding success in rolling back poverty, it has also contributed to a yawning income gap between a relatively small number of enriched and the rest of the population which still live modestly, or under the poverty line. According to a 2014 research by Peking University (PKU), the first 1% of the richest families muster over one third of China's wealth, while 25% of the poorest households add up just 1% of it (Gândul, 2014). By the number of its billionaires, China is second only to the US, globally, but it still has between 80 and 200 million people living under the poverty line, depending on the level where that line is established (either USD 1.0/day, in Chinese statistics, or USD 1.5/day according to the World Bank, respectively).

In time, Chinese economy has become more and more dependent on investments and it consequently became *increasingly unbalanced, unstable, uncoordinated and unsustainable*.[i] The last decade, especially the years of the global economic crisis, have aggravated its addiction to public investments, once the huge, USD 586 billion investment and fiscal stimulus was implemented (2008-2010) to counteract the global economic crisis. The stimulus helped both China and many of its partner countries keep growing and deal better with the crisis, but it has also generated distressful consequences both in the short run (inflation) and in the long run (speculative bubbles, increased indebtedness, nonperforming loans, infrastructure and industrial overcapacities, wastage, corruption), worsening previous imbalances and creating new ones.

The structural weaknesses of Chinese economy which were uncovered by the global economic crisis had been generated by a flawed allocation system, in which the fundamental prices (of capital, energy, land, labour, natural resources) were still subject of state intervention. As such, distorted allocation was reflected in a broad range of economic and social imbalances and asymmetries:

- Overinvestment, while domestic consumption was repressed;
- A resulting oversized manufacturing sector and overcapacities in some industries, while the services sector has long remained underdeveloped;
- Excessive development of natural resources and energy intensive industries, while knowledge and innovation intensive activities lagged behind;
- Excessive development of polluting industries, with a drastic bearing on the population's health and living standards, in parallel with an insufficient development of green industries, alternative energy sources and industries focused on environment decontamination and protection;
- The perpetuation of SOEs' inefficiencies and the strengthening of their monopoly positions, while maintaining a harsh business environment for SMEs;
- Excessive dependence on foreign technology, research and innovation, in parallel with a low capitalization on local talents and native innovation potential;
- Excessive development of real estate and infrastructure networks in the Eastern, coastal areas of the country, in parallel with their relative shortage in the central or Western regions and in rural areas;
- Deep gaps between East and West, South and North, urban and rural areas, in terms of their general development, household incomes, available opportunities and living standards;
- A yawning income gap between the rich and the poor, the town dwellers and villagers, the active people and pensioners, the city residents and migrants etc.;
- Increased vulnerabilities to external shocks, due to excessively grown dependence on foreign demand and on certain markets (USA), while the huge Chinese domestic market was relatively discouraged and neglected.

2. What the "new normal" of Chinese economy is

No development strategy, no matter how well it performed, can be pursued indefinitely. All the above speak about a growth model having become obsolete, no longer adequate to the country's present development stage and in great need of thorough reforming. As opposed to the present rhetoric of a "new normal" in the evolution of China's economy, all the above should be considered part and parcel of the "old normal". But how should the "new normal" be understood?

Although Chinese policy makers have included economic rebalancing among the major objectives of both the 2006-2010 and 2011-2015 five year plans (FYP), little was done until 2013, when the new leaders took over and a bold and complex rebalancing strategy was devised. At the core of this strategy lays the objective of changing the investment-and-export-led development model focused on high growth rates and quantitative goals, with one driven by domestic consumption, knowledge, innovation and focus on quality, efficiency and competitiveness. This strategy should reset the country's economic functionality, sustainability and dynamism and avoid hard landing or the country's getting it stuck in "the middle income trap".

The "new normal" has recently become one of the most popular terms in China, since the new leaders want the population to assimilate and accept the idea that double digit growth rates belong to the past, they are from now on neither possible, nor needed and, therefore, economic growth will be substantially slower. The "new normal" evolution of the Chinese economy as it transits to another growth model will be one of *lower growth rates* and *deep reforming of the economic fundamentals.* Some of the key developments that help sketch it should include at least: (i) changes in the government/market relationship with a significant bearing on resource allocation, in which markets are expected to gain a "decisive role" and the government to step back, focusing instead on social order, regulation, correction of market failures and pushing ahead reforms; (ii) ruling by the law, instead of ruling by "guanxi" (informal relations between businesses and government institutions and officials) (Xingdong, 2015) and continue fighting corruption; (iii) settling to lower growth rates, giving up concern for exclusively quantitative targets and focusing on new sources of quality growth and competitive advantage; (iv) lowering the domestic investment share in GDP, increasingly investing abroad and further encouraging the internationalization drive of Chinese companies; (v) improving wealth distribution in a more equitable manner, as a prerequisite of higher domestic consumption; (vii) further devising and implementing the array of complex, interconnected reforms asked for by the economic, social and geographic development rebalancing process.

Officials advocate that under the new normal the economy will become more sustainable, healthier and fairer, with an optimized structure, enhanced quality, improved social welfare and "*…making progress towards restoring its environment, after decades of wanton pollution."* (Kaiman & Stewart, 2015)

From the global economy perspective, China's shift of emphasis from investment to consumption, from factor-driven, to innovation-led growth, and from foreign to domestic demand is, in fact, a fundamental transition from the present global model of China being the "world factory" – which produces almost everything, supplies the rest of the world and dominates international markets of both commodities and manufactured goods – to a multi-polar world economy (Stephen, 2015). This is obviously expected to trigger a host of changes in international markets, trade flows, prices and the countries' industrial structures and growth.

3. External outcomes of the Chinese "new normal"

Changing the development model will play a vital role in rebalancing the Chinese economy, but, given the size of this economy and its deep global integration, the shift will influence in one way or another, directly or indirectly, to a smaller or greater extent, all the other countries of the world. Both foreign companies operating in China and the host of companies present in the international markets will have to cope with a changing and more volatile environment under the impact of the mutations taking place in this country, and both companies and economies should adapt and reform themselves in parallel with it.

The global spillovers will be transmitted both by trade, financial, investment channels and through the global value chains (GVC) and networks of the international production system, having a bearing on both the counties' GDP and on the global trade and growth. A slower growth of China's fixed investments and the shift in their structure will greatly influence the size and direction of trade and money flows, international prices and all the actors in the marketplace.

As it was mentioned above, the strategy of internal and external accumulation of capital implemented by China allowed a swift industrialization and modernization process, turning the country into the no. 1 manufacturer of the world. This process implied an import basket where capital goods, machinery and equipment, parts and components had a dominant share. As the country developed, industrialized and became in many industries the final link of global value chains (GVCs), but especially after the implementation of the 2008-2010 stimulus which favoured infrastructure investments, China's import basket has radically changed. Altering the country's investment profile to a dominance of infrastructure and urbanism projects and to nurturing services and high-tech (HT) industries, has generated a downward trend in the imports of capital goods and a surge in those of commodities, raw materials for industry, real estate and infrastructure development.

Slowing the investment growth rate is supposed to induce new alterations in China's import basket, affecting directly some of China's trade partners, and indirectly, through its impact on the international prices, having a bearing on all the other actors in different global markets.

- The most exposed to a slowing investment growth rate in China will be the Asian exporters of components involved in regional value chains (VCs) which have terminal links in China (such as Taiwan, South Korea, Malaysia, Thailand, Philippines, Japan, etc.). Ahuja and Nabar (2012) estimate that one percentage point (pp) decline in the Chinese investment growth rate could trigger a significant decrease of the GDP growth rates in these countries: over 9 tenths of a pp in Taiwan, 7-8 tenths in Malaysia and South Korea, 4 tenths in the Philippines and 1 tenth in Japan. If the investment slowing would be located in Chinese manufacturing, the impact on these countries would be similar, but if it would be located in the tertiary sector, the impact would be considerably milder.

In spite of the apparently small numbers, such an impact is not at all negligible. According to Lee *et all.* (2012), the investment share in Chinese GDP should be lowered by at least 10 pp (to 40%) in five years, which means that investments should grow much slower than GDP during this interval. Considering Pettis' (2013a) estimation that, for such an adjustment to be possible, the investment growth rate should be 4.5 pp lower than the GDP growth rate, and taking into account the fact that in China investments keep growing annually by 19-20%, while the 2014 GDP growth missed the 7.5% target and the new target for 2015 was fixed "*around 7.0%",* it results that Chinese investment should grow by maximum 3% yearly. It results, further, that a massive reduction, of 16-17 pp of the investment rate would be required to bring the total investment share in GDP to 40%, in five years. Although the estimated spillovers in the countries mentioned above will not be 16-17 times larger, this still provides a telling image of the magnitude of impact China could inflict on its VCs partners.

- Excessive infrastructure capacities in China will lead to significantly slowing investments in this sector (Eurobiz, 2013), with a further negative bearing on the companies exporting infrastructure-building and transport equipment to China. Governmental policies will decisively influence which of the sectors will suffer or not (Pettis, 2013b), but we expect that assured beneficiaries of further investments and incentives will be HT industries, green industries and high value-adding services. Therefore, exporters of HT equipment, the ones that can provide productivity-enhancing equipment and technologies, or can contribute to fighting pollution and developing environmental-friendly industries are best positioned to take advantage of the opportunities opened by the Chinese economic rebalancing. Similarly, foreign companies interested in developing joint research and innovation projects with local partners will also enjoy considerable opportunities in China in the following years (Pencea, 2014).

- In case of a temporary shock to China's fixed-asset investments, the impact would be felt the world over, triggering a global trade slowdown, but the most significant negative impact would be felt by capital goods manufacturers with a sizable direct exposure to China, especially the ones from Germany and Japan (Ahuja&Nabar, 2012). Less severe outcomes would be registered in the USA, EU, South Korea, India, Brazil or Canada, while Australia or Indonesia would be insignificantly touched.
- Another category of exporters that might benefit from Chinese reforms are those from countries with a strong manufacturing sector, especially emerging and developing economies where labour and other inputs are still relatively cheap. They will be able to take advantage of China's inevitable loss of competitiveness in international markets, once economic rebalancing reforms are implemented. Increasing costs with inputs – either labour (rising wages), capital (rising interest rates), land, energy or natural resources (rising prices, once markets are gradually liberalized) – and the costs incurred by overcapacities, as well as a potential strengthening of the yuan will all lead to a loss of competitive force on China's side, to the advantage of its former competitors in various markets. A good example is provided by Mexico, whose manufacturing sector was almost decimated by China's aggressive pricing, but it now already feels the outcomes of a relatively weaker competition from China (Pettis, 3013b).
- A strongly affected group of China's trade partners will be the exporters of commodities for industry (iron ore, copper, aluminium etc.) and real estate and infrastructure building (cement, steel). The most affected are going to be the countries with undiversified economies, which export mainly mineral resources and have a large exposure to China (such as Chile, Zambia, Saudi Arabia, Iran, Kazakhstan). In these countries, for each pp reduction of the investment growth rate in China, there might be an almost 40% of a pp loss in their economic growth (Chile, Zambia, Saudi Arabia). On the other hand, large mineral resources exporters with diversified economies, such as Australia, Brazil, or Indonesia will be less affected by the Chinese economy evolutions (Ahuja & Nabar, 2012).
- A declining Chinese demand for resources it once consumed in excess as a result of its investment-intensive development, such as aluminium, copper, iron hours etc., is expected to entail a sharp decline in international prices of these commodities, with a double and contradictory impact on the actors in the specific international markets: (i) on the one hand, the providers of these goods, mainly mines, will face a major double loss – they will export less, and they will gain less for their exports, due to the fall in prices. Also, they will be hit harder if they had made investments to increase capacities so that they could meet China's presumed growing demand (producers in countries such as Peru, Brazil, South Africa, Australia are in this position); (ii) on the other hand, the buyers of these goods will be favoured, taking advantage of price cuts by up to 50% in the following years (Pettis, 2013b). Additionally, a slowdown of the global growth triggered by China's measures to calm investment could also determine a 3-9 pp reduction in the growth rate of prices for iron ore, aluminium, copper, lead, nickel and zinc. The largest impact would be felt in zinc prices, followed by the nickel and lead ones (Ahuja&Nabar, 2012).
- Swift investment growth in China is responsible for multiple imbalances, but one of the most acute is that of overcapacities, an issue which is vital for the industrial system reform. In this respect, one of the expected consequences of changing the growth model is a speeding up of the consolidation processes. Relatively inefficient, uncompetitive Chinese companies in the industries where the government intervenes less or those lacking access to cheaper capital are already subject of mergers and acquisitions (M&A). It is not yet clear what the government is going to decide for SOEs, but there is a moderately positive expectation regarding a probable acceptance of private and possibly even foreign capital involvement in the restructuring processes of these companies (Eurobiz, 2013).
- On the other hand, Chinese companies will further internationalize and the Chinese government will further search the world for profitable investments of its huge foreign exchange reserves, so that capital outflows from China are expected to intensify. Already the gap between capital inflows (FDI) and outflows (ODI) is quickly narrowing and soon China will become a net capital provider for the world economy. Consequently, for the capital-hungry companies and economies new opportunities to attract Chinese investments are expected to appear.
- As the incomes of Chinese population keep increasing, by deliberately having wealth transferred from state, back to households - reversing the actuality of households still subsidizing economic growth by 4% of GDP (Pettis, 2013a) - as Chinese middle class becomes more robust and public services become strong enough to oust precautionary saving, households will increasingly spend and consume more and exporters around the world will have better opportunities in Chinese markets. Still, the process will be rather slow and it will tightly depend on how the government decides to increase household incomes. It

makes a great difference if the government chooses to either (i) increase wages (negatively affecting competitiveness), (ii) liberalize interest rates (bearing on bank profits and on the financial repression as an instrument supporting cheap investment capital), or (iii) make imports cheaper, by letting the RMB appreciate (discouraging exports), because each of these measures benefits a different household category and, consequently, different providers of goods and services for these consumers. Additionally, the degree of market openness to foreigners and the levelled playing field will also depend on government's vision and policies.

Pettis (2014) considers that a substantial increase might take place in China's imports of food and agriculture products and there will be good opportunities for exporters in this field. On the contrary, exporters of consumer goods should not expect significant volume increases in China, as this market will absorb mainly locally manufactured goods. Similarly, Ahuja&Nabar (2012) conclude that for consumer goods exporters the impact of increased consumption in China might be marginal. At the same time, considering the low intensity of imports in Chinese consumption, they appreciate that for the exporting countries to China the spillovers generated in terms of GDP growth by an increased Chinese consumption are, for the time being, negligible.

4. Conclusions

While the "old normal" of Chinese economic success is no longer feasible, a "new normal" is taking shape in Chinese economic rhetoric, policies and realities. To our understanding the term is just another articulation for "slower growth and thorough reforms" which are part and parcel of China's transition process to a more sustainable and better adapted to realities development model, expected to help it attain economic rebalancing, avoid the "middle income trap" and pave the way for further progress. The new reform policies envisioned by the Chinese government make up the most important and radical rethink of China's path since Deng Xiaoping, at a time when the country is at the cross-roads. Given its size and strong integration into the world economy, Chinese economy evolution and reforms are prone to inflict significant consequences upon all the other actors on the international scene, which will have to adapt and reform themselves if they are to cope with the new challenges and to tap on the opportunities.

To capitalize on China's growing domestic consumption, foreign companies must be extremely flexible, adapting their supply to the local specificities and tastes, attending to the large cultural diversity of Chinese provinces and to the fragmented market it generates.

China's market has always been a mix of great opportunities and challenges for westerners. The current reform, upgrading and rebalancing processes imply deep, complex and interconnected transitions, with multiple outcomes both at home and abroad, making both local and foreign companies, both domestic and international markets face challenges and opportunities like never before, in a more volatile and risky environment. Laying new stress in China on market freedom, domestic consumption, efficient allocation, innovation, productivity, competitiveness, will radically change the economic environment in both Chinese domestic market and global markets, and the potential "earthquakes" in some of the Chinese industries will undoubtedly shake the world economy, trying the adaptive power of both partner countries and companies. In a changing world striving for redefining itself, many of the "recipes" that worked in the past might become inefficient and only the capacity to innovate in every way will make the difference between losers and winners.

References

Ahuja, A., Nabar, M., 2012. Investment-Led Growth in China: Global Spillovers, IMF Working Paper, Asia and Pacific Department, November.

Eurasia Group, 2011. China's Great Rebalancing Act, New York, August.

Eurobiz, 2013. Sailing in Choppy Waters: Business Implications of the Economic Reforms for the Decade Ahead, September, the 28th.

Forbes, 2012. Opportunities in China: The Next 10 Years, Perkowski, J. November 19.

Forbes, 2015. China's "New Normal": What's in it?, March, 19.

Kaimann, J., Stewart, H. 2015 – Hard Times Return as China Bids to Bring its Economic Miracle to an End, The Guardian, January, 1st, http://www.theguardian.com/world/2015/jan/25/china-bids-bring-economic-miracle-end-hard-times

Kirby, W.R., 2010. China's Ascent Signals a Return to Hystorical Norms, Harvard Business Review, 17.08.2010

Ma, G., McCauley, R., Lam, L., 2013. The Roles of Saving, Investment and the Renminbi in Rebalancing the Chinese Economy, Review of International Economics, 21(1), 72–84, DOI:10.1111/roie.12021.

Palley, T. I., 2005. External Contradictions of the Chinese Development Model: Export-led Growth and the dangers of Global Economic Contraction, Journal of Contemporary China, Washington, May.

Pencea S., 2011. Reconsiderarea modelului chinez de dezvoltare, in Reconsiderări ale modelului capitalist de dezvoltare şi guvernanţă. Impactul crizei financiare, Editura Economică, 179-207

Pencea, S., 2014. From "Made in China" to "Invented in China", Journal of Global Economics, Vol. 6, No.1, the Institute for World Economy, Bucharest.

Pettis, M., 2013a. China Will Struggle to wean Its Addiction to Investment-led Growth, Economy Watch, January, the 3rd.

Pettis, M., 2013b. Winners and Losers in China's Next Decade, McKinsey Quarterly, No. 3.

Pettis, M., 2014. China's Economic Rebalancing Likely to Hurt World's Emerging Economies, New York Times, February, the 1st.

Reuters, 2013. China premier warns against loose money policies, November 5.

Stephen, C., 2015. What China's "new normal" means for commodities, Market Watch, Hong Kong, March 23rd

Stiglitz, J. E., Yusuf, S. (editors), 2001. Rethinking the East Asian Miracle, A World Bank Publication, Washington D.C.

Trading Economics, 2015. http://www.tradingeconomics.com/china/foreign-exchange-reserves, 17.04.2015

The US-China Business Council, 2013. China's Strategic Emerging Industries: Policy, Implementation, Challenges, & Recommendations.

The World Bank and the Development Research Center of the State Council, P. R. China, 2013. China 2030 – Building a Modern, Harmonious, and Creative Society, Washington D.C.

Xinhuanet, 2012. China to boost strategic emerging industries amid economic slowdown, May 30.

Xingdong, C., 2015. What Will China's New Normal Look like? BNP Paribas, March 17.

Zhu, A., Kotz, D. M., 2011. The Dependence of China's Economic Growth on Exports and Investment, Review of Radical Political Economics, 43(1), 9–32.

Zhang, J. and Zhu, T., 2013. Re-Estimating China's Underestimated Consumption, September 7, Available at SSRN: http://dx.doi.org/10.2139/ssrn.2330698.

[i] These are the four "un-s" identified in 2007 by former premier Wen Jiabao as defining features of the Chinese economy condition.