SPECIAL FEATURE

5 Chinese Economy in 2019: Structural Reforms and Firms’ Behaviour amid Growing Uncertainties
by QIAN Jiwei

In 2019, the Chinese government introduced various policies to facilitate structural changes and to promote the new economy. Tax cuts were introduced to encourage spending and reduce financial burdens of firms. The new Foreign Investment Law and reform to the market exit mechanism have improved business environment. However, with rising global uncertainties and the raging public health crisis, China’s structural reform is largely a work in progress.

19 China’s Economy on a Rocky Trajectory
by LI Yao and Sarah Y TONG

China’s economy in 2020 would likely weaken further. Feeble external demand would persist and significantly dampen employment prospects. It also faces considerable internal risks in terms of its local fiscal conditions. It is still too early to assess the impact of the Covid-19 pandemic on China’s economy but given China’s large size and its diverse economy, attaining a modest growth is still achievable.

32 Chinese Society in 2019: Navigating Another Bumpy Year
by ZHAO Litao

The Chinese government’s priority in 2020 continues to centre on stability. It would employ expansionary fiscal policy for social programmes that have helped serve the Chinese government to improve social well-being and garner public support. Adjustments are imperative to maintain a proper balance between the state sector and the private sector. The elimination of household registration, or hukou, restrictions in cities is a momentous decision by the state.

45 A Stable Chinese Society in 2019: Under Tightening Control
by CHEN Juan and SHAN Wei

Tightening control of society, manipulating public opinions and using up-to-date digital technologies will certainly enhance the Chinese government’s capacity to maintain stability in the short term. These measures, however, may disconnect the Chinese communist regime from the changing globalised world and society.
Hong Kong’s Economy Navigating Turbulent Times by LI Chen

Hong Kong’s economy will continue to face significant downward pressures in 2020. The challenges it currently faces highlight its problematic interaction between the Hong Kong’s government bureaucracy, markets and local civil society. However, Hong Kong still possesses the unique edge as a prominent financial, transportation and trading hub.

Taiwan’s Economy in 2019: Reaping Benefits from the US–China Trade War by CHIANG Min-Hua

Taiwan’s economy would continue to grow and hit 2.37% rate in 2020 despite the evolving US–China trade war. However, Taiwan’s limited land and human resources may restrict its capacity to accommodate large potential inward investments. The growing domestic investment and higher government expenditure in infrastructure are favourable factors that would drive Taiwan’s economic growth in 2020.

South Korea’s Economy in 2019/20: Slow Recovery, Growing Social Expenditure and the Fourth Industrial Revolution by Tomoo KIKUCHI, JEONG Seung-Hwan and LEE Gun-Woo

With the recovery of the price of semiconductors, South Korea’s economy, being more reliant on exports compared to China and Japan, was estimated to grow to 2.3% in 2020. While manufacturing is South Korea’s most important sector, the government has pushed for the fourth industrial revolution to undergo industrial transition and structural transformation.

Global Value Chains and the Innovation of the Chinese Mobile Phone Industry by XING Yuqing

The rise of the Chinese mobile industry is impressive and unique. China is now the largest mobile phone manufacturer and the largest exporter in the world. Huawei, Xiaomi and OPPO occupy three of the top five spots for global mobile phone brands. Its significant achievement can be attributed to the value chain strategy of sourcing necessary technology platforms and concentrating on product differentiation and incremental innovation.

Housing Policies in Hong Kong by LIM Tai Wei

Hong Kong’s housing market actually benefits the property developers instead of the public, especially through the outcome of a rental rather than ownership market. The underdeveloped New Territories is the target of the proposed housing policies. Other innovative and unconventional solutions to Hong Kong’s housing problem have emerged, e.g. the standardised O-Pods represent a possible option for low-cost manufactured housing for Hong Kong’s masses.