

**REVITALISING CHINA'S ECONOMIC
GROWTH: POLICY EFFORTS AND
CHALLENGES**

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Synopsis in English, [Chinese](#), [French](#) and [Spanish](#)

In 2023, China's economy experienced a gradual rebound following initial challenges stemming from the COVID-19 pandemic. Despite some positive indicators such as increased bank borrowing and growth in trade, weaknesses persisted in investment and consumption. To address these issues and stimulate growth, the government implemented policies aimed at boosting consumption, investment and attracting foreign investment. However, obstacles such as declining confidence, a sluggish real estate sector and rising unemployment continued to impede a robust recovery. Recent policy discussions have focused on fostering long-term growth and managing risks, including efforts to enhance social confidence, stabilise price expectations and promote the development of a modern industrial system. This shift towards comprehensive policies underscores a strategic emphasis on long-term growth objectives rather than short-term stimulus measures.

Chinese:

提振中国经济的政策演化及挑战

2023 年的中国经济从最初应对新冠大流行带来的短期问题，到逐步恢复增长，经历了一系列的挑战和政策调整，但阻碍经济长期增长的诸多隐忧依然存在。尽管银行贷款和贸易都恢复了涨势，支撑增长的基础仍嫌不足，特别是投资和消费增长疲弱。为了进一步刺激经济增长，政府也适时实施了多项旨在促进消费和投资，以及吸引外资的政策，但政策效果仍受制于市场信心下降、房地产业低迷和失业率上升等不利因素的拖累。中国的政策重点也因此逐渐转向，更多关注经济的长期增长和风险管控，包括努力增强市场信心、稳定价格预期和加快建设现代化产业体系。这种向综合性政策的转变凸显了中国目前在战略上更强调长期增长目标而非短期刺激措施。

French:

DYNAMISER LA CROISSANCE ÉCONOMIQUE DE LA CHINE: EFFORTS POLITIQUES ET DÉFIS

En 2023, l'économie chinoise a connu un rebond progressif après les difficultés initiales liées à la pandémie de COVID-19. Malgré certains indicateurs positifs, tels que l'augmentation des emprunts bancaires et la croissance des échanges commerciaux, des faiblesses ont persisté en matière d'investissement et de consommation. Pour résoudre ces problèmes et stimuler la croissance, le gouvernement a mis en œuvre des politiques visant à stimuler la consommation, les investissements, ainsi qu'à attirer les investissements étrangers. Toutefois, des obstacles tels que la perte de confiance, la faiblesse du secteur immobilier et la hausse du chômage ont continué à entraver une reprise robuste. Les récentes discussions politiques ont porté sur la promotion de la croissance à long terme et

la gestion des risques, avec notamment les efforts visant à renforcer la confiance sociale, stabiliser les attentes en matière de prix et promouvoir le développement d'un système industriel moderne. Cette évolution vers des politiques globales souligne l'importance stratégique accordée aux objectifs de croissance à long terme plutôt qu'aux mesures de relance à court terme.

Spanish:

REVITALIZANDO EL CRECIMIENTO ECONÓMICO DE CHINA: ESFUERZOS POLÍTICOS Y DESAFÍOS

En 2023, la economía de China experimentó un repunte gradual tras los desafíos iniciales derivados de la pandemia de COVID-19. A pesar de algunos indicadores positivos, como el aumento del endeudamiento bancario y el crecimiento del comercio, persistieron las debilidades en la inversión y el consumo. Para abordar estos problemas y estimular el crecimiento, el gobierno implementó políticas destinadas a impulsar el consumo, la inversión y atraer inversión extranjera. Sin embargo, obstáculos como la disminución de la confianza, un sector inmobiliario lento y el aumento del desempleo continuaron impidiendo una recuperación sólida. Los debates políticos recientes se han centrado en fomentar el crecimiento a largo plazo y gestionar los riesgos, incluidos esfuerzos para mejorar la confianza social, estabilizar las expectativas de precios y promover el desarrollo de un sistema industrial moderno. Este cambio hacia políticas integrales subraya un énfasis estratégico en objetivos de crecimiento a largo plazo en lugar de medidas de estímulo a corto plazo.

Executive Summary

1. China's economic performance in 2023 showed some positive signs, including sturdier consumption and improvement in trade figures. China also achieved its growth target of "about 5%" set in March 2023.
2. Investment growth remained weak. Sluggish property sales and investment in real estate persisted in most regions of China. Private sector investment growth turned negative and investment growth in the state sector also slowed down.
3. Consumption was the main driver of China's demand growth in 2023, albeit not as strong as expected. In the second half of 2023, consumption growth dipped. Consumer confidence remained weak due to poor labour market conditions and uncertain prospects for family wealth, including housing value. The lack of demand and policy uncertainty had also dampened investors' confidence.
4. Boosting consumption and investment has topped the policy agenda since the release of disappointing figures for the first half year of 2023. The government introduced a series of policies to revamp economic activities including measures to promote consumption and encourage private and foreign investment.
5. As domestic demand rebounded in the third quarter, policy focus shifted away from short-term stimulus. Instead, the Central Financial Work Conference in October 2023 stressed the importance of risk control within the financial sector and reiterated the government's support for key areas to foster high-quality growth in the long term.
6. The Politburo Meeting and Central Economic Work Conference (CEWC) in December 2023 reflected the government's renewed concerns for social stability and social cohesion. Both the "promote stability through progress (以进促稳)" and expanding the "establish before abolish" (先立后破) strategy beyond the green economy to the broader economic landscape are novel policy approaches.

7. The CEWC also emphasised managing social expectations and price expectations in an attempt to counter looming deflation. To further policy consistency, the CEWC also announced the incorporation of a non-economic policy impact assessment.

8. The growing prominence of the party apparatus in economic governance may help coordinate policy efforts, such as addressing the unsustainable growth of the real estate sector and local government debt, while curtailing the market's role in resource allocation, a huge concern for investors and eroding confidence further.