

China Then and Now

20 years ago

Current

6%

Equity weight
MAY 2001

Chinese companies are having a growing impact on global markets. China's equity weight within the MSCI Emerging Market Index has increased more than 6x over the past two decades.

Sources: FactSet, MSCI, as of 31 May 2021.

38%

Equity weight
MAY 2021

\$328 bn

Government debt
2000

Debt has grown exponentially over the last two decades, both public and private. Government debt has risen nearly 37 fold while bonds issued in China now accounts for 7.5% of the Bloomberg Barclays Global Aggregate Index and 7.2% of the JPMorgan CEMBI, making it one of the world's largest markets.

Sources: International Monetary Fund, World Economic Outlook Database, as of April 2021.

\$12.4 trillion

Government debt
2021

8.28¥ = \$1

Exchange rate
MAY 2001

Since abandoning its currency peg in 2005, China has gradually liberalized its exchange rate regime, though it maintains stringent capital controls. Critics argue that China fosters a weak yuan in order to bolster exports, making them cheaper to foreign buyers.

Sources: FactSet, Federal Reserve System, as of 31 May 2021.

6.43¥ = \$1

Exchange rate
MAY 2021

39%

Services sector share of GDP
1999

China services sector has grown substantially since 1999, taking its share of GDP closer to more mature economies, such as the US, though it still has room to grow.

Sources: World Bank national accounts data, and OECD National Accounts data files, as of 31 December 2019 (latest available).

54%

Services sector share of GDP
2019

\$1,895

Real GDP per capita
2001

After decades of rapid growth, China has lifted millions of its citizens out of poverty.

Source: World Bank – World Development Indicators, as of 31 December 2020.

\$8,353

Real GDP per capita
2021

7%

Share of population
+65 years old (2001)

China's population growth has peaked and is aging, putting demographics on a similar path to that of the US, Europe and Japan. Currently, the oldest cohort (those +65 years old) is 12% of the population and could more than double by 2050 to 26%.

Sources: FactSet, Oxford Economics and US Census Bureau. Data pulled on 26 May 2021 – 2021 and 2050 figures contain estimates.

12%

Share of population
+65 years old (2021)

8.4%

Real GDP growth (YoY)
2000

As the economy matured, China's real GDP growth slowed – and was doing so well before the COVID-19 pandemic. After growing between 7% and 14% for much of the 90s up through 2015, it has grown between 2.3% (its 2020 rate) and 6.9% since.

Sources: FactSet, National Bureau of Statistics of China, as of 31 December 2020.

2.3%

Real GDP growth (YoY)
2020

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MSCI Emerging Markets Index measures emerging market stocks.

Bloomberg Barclays Global Aggregate Bond Index measures the global investment-grade fixed income markets.

The **JPMorgan Corporate Emerging Markets Bond Index (CEMBI)** is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

Gross Domestic Product (GDP) is a comprehensive measure of a country's economic activity. GDP measures the value of the final goods and services produced.

Real Gross Domestic Product (Real GDP) adjusts GDP to remove the effects of inflation over time.

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