

Economic and Political Outlook on China Under the Xi-Li Era

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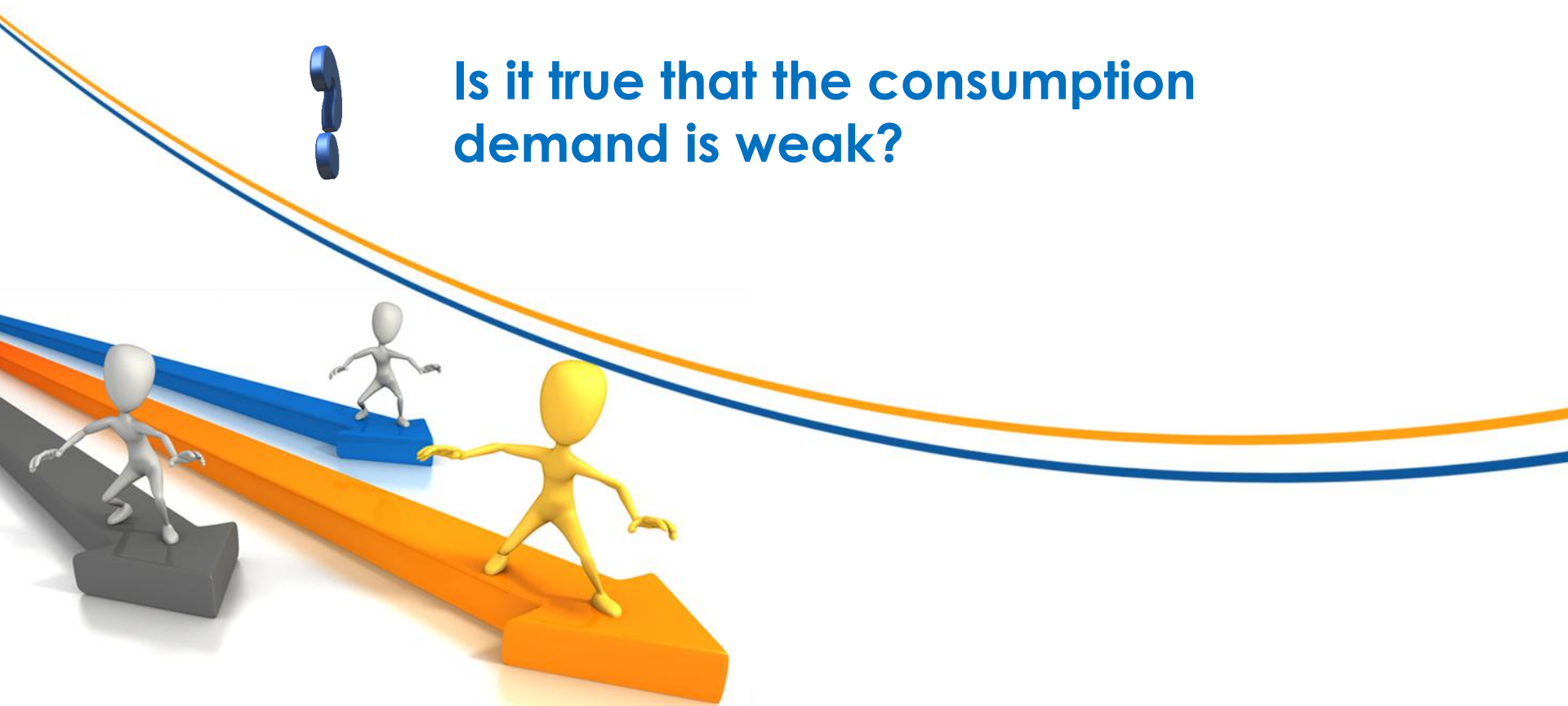
Basic Discussing Questions



Does it make sense to forecast the short-term economy?



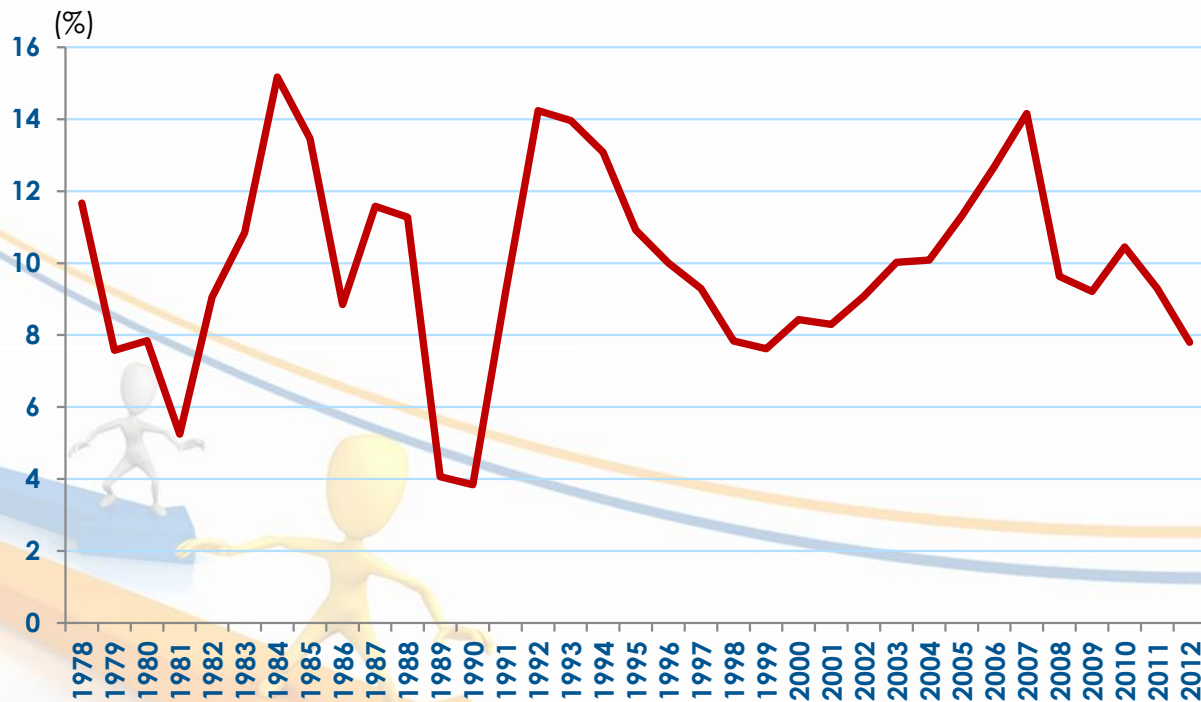
Is it true that the consumption demand is weak?



Q. Does it make sense to forecast the short-term economy?

Government determines short-term economic growth performance.

Real GDP Growth Rate

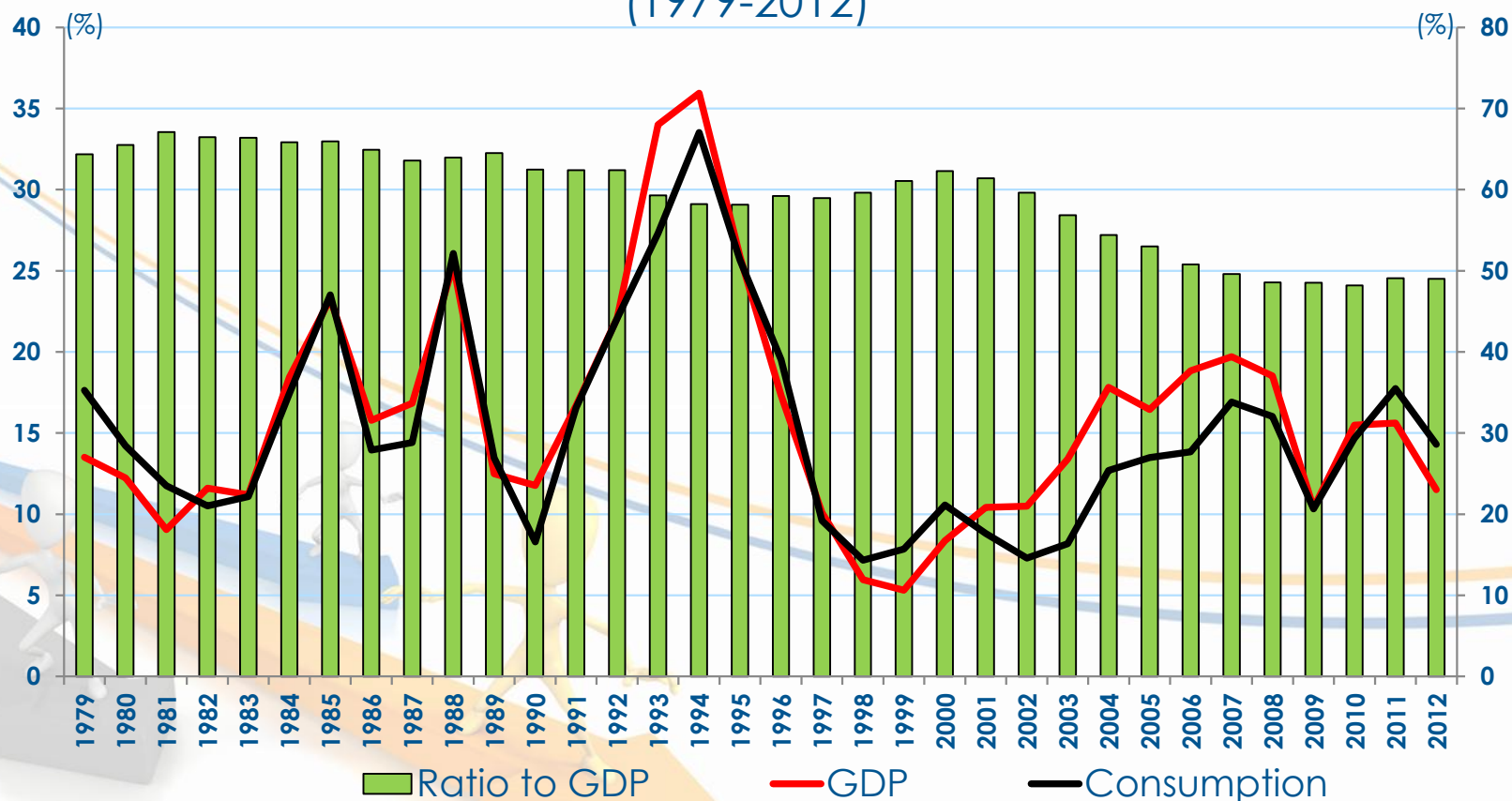


Source: National Bureau of Statistics of China

Q. Is it true that the consumption demand is too weak?

Getting Rid of the Dependence on High Growth is Essential.

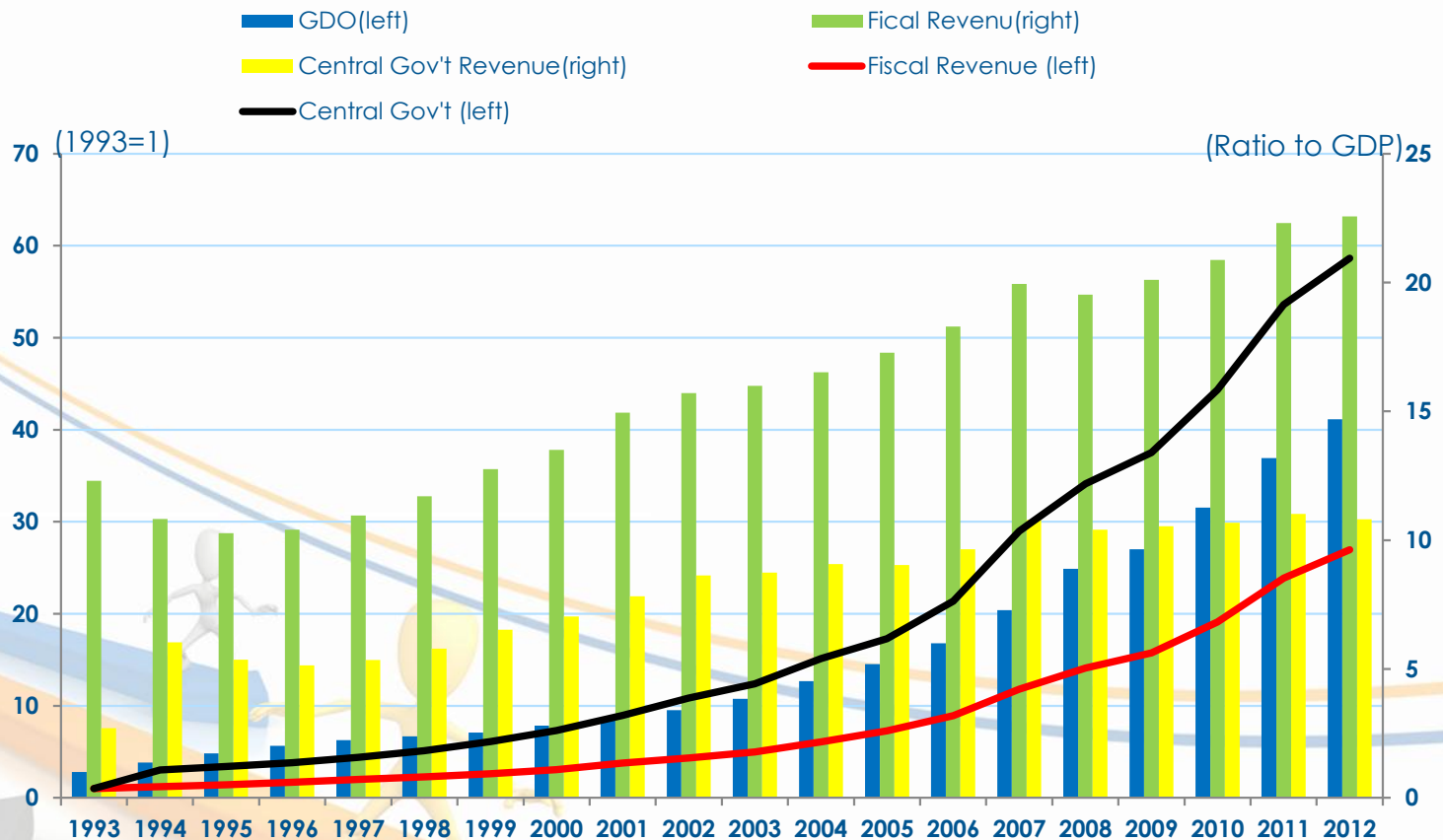
Trend of Nominal GDP and Consumption Demand Growth (1979-2012)



Source: National Bureau of Statistics of China.

Bureaucratic Capitalism is an Impediment to sustainable growth

Government Is the Biggest Beneficiary of Economic Growth



Source: National Bureau of Statistics of China.

Q. How Far Could Xi Go?

-From Political Point of View

Features of Xi Jinping administration

- ❖ Second Generation of Senior Officials (红二代或官二代)
- Maintaining current regime seen as their mission
 - ❖ “Red Guard” (红卫兵)
- Destroyers of existent order as well as idealist
 - ❖ “Educated Youth” (知识青年)
 - Better understanding to disadvantaged population
 - ❖ 1966-68 Middle & High School (老三届)/ 1977-79 College Graduates (新三届)
- Advance education background



Five Nos

No multi-party system

No alteration of ideology

No separation of powers & bicameral system

No federal system, and

No privatization



Seven Don'ts

Don't talk about universal values.

Don't talk about freedom of press.

Don't talk about civil society.

Don't talk about civil rights.

Don't talk about mistakes in the Party's history.

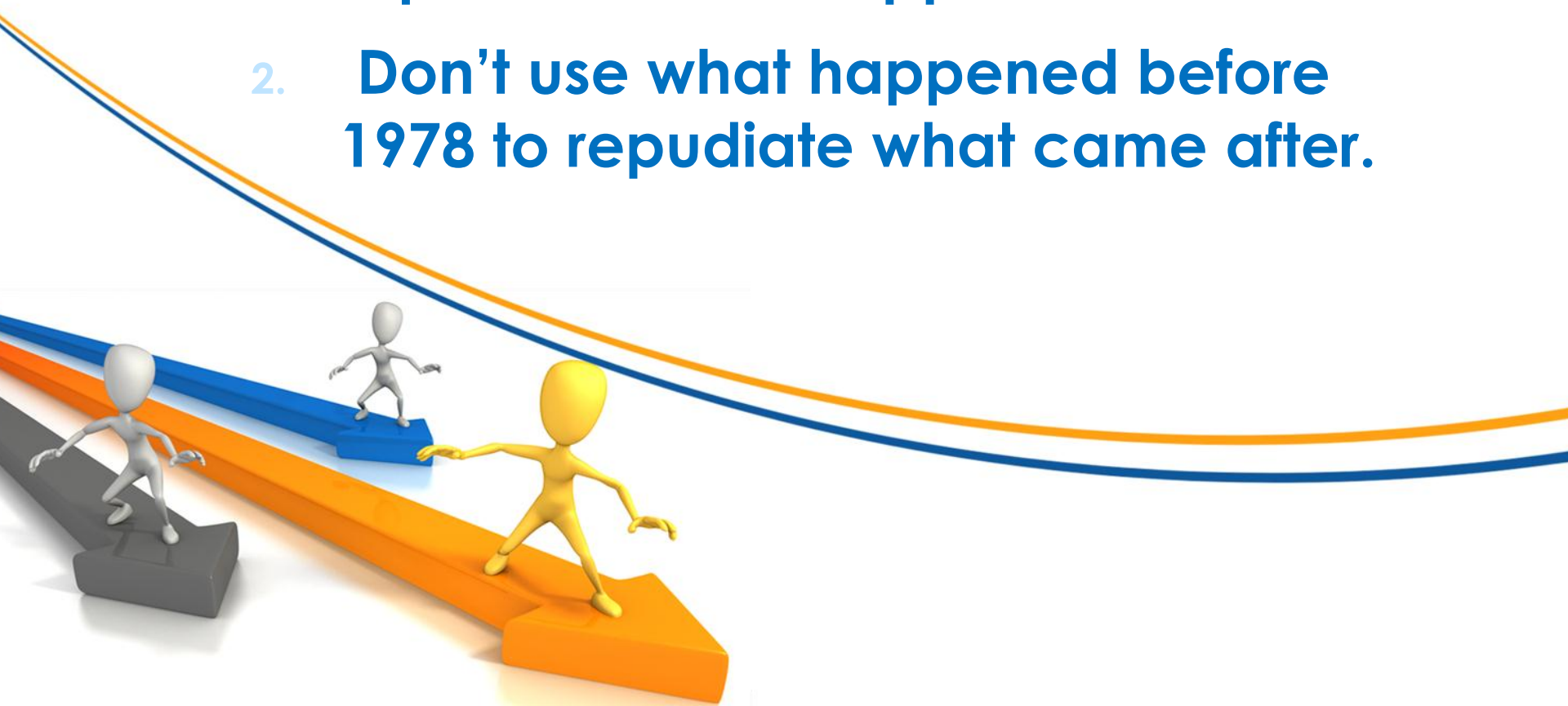
Don't talk about crony capitalism.

Don't talk about judicial independence.



Two No-Repudiates

1. Don't use what happened after the 1978 economic reform began to repudiate what happened before it.
2. Don't use what happened before 1978 to repudiate what came after.



Three pillars that help the Party survive

- Enhancing ideological control
- Chasing the Chinese dream to embrace the nationalist sentiment, and
- Cracking down corruptions



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Take-away Question

How should the world deal with a wealthier and stronger China if it does not fundamentally change its political system but keeps its door open to the world through trade, investment and other economic activities?



The image features a white background with decorative elements. At the top, there are two horizontal arrows: a blue arrow pointing right and an orange arrow pointing left, overlapping each other. At the bottom, there are two horizontal arrows: a blue arrow pointing left and an orange arrow pointing right, also overlapping each other. In the center of the page, the text "Thank you!" is written in a gold, cursive font.

Thank you!