

Contents

1	China Economic Performance in the First Half of 2016.	1
1.1	Structural Transformation Persisted and the Labor Market Stayed Robust	1
1.2	Total Investment Growth Edged Down While Private Investment Growth Dropped Dramatically	6
1.3	Consumption Growth Remained Steady Despite Household Income Growth Decelerated	10
1.4	Foreign Trade Growth Remained Sluggish	12
1.5	The CPI Sustained Stable While the Decline in PPI Slowed	14
1.6	Bank Credit Rose Rapidly While the Gap Between M1 and M2 Growth Widened	15
1.7	Fiscal Revenues Saw Fast Growth and Fiscal Expenditures Expanded Dramatically	17
2	Quarterly Forecast for 2016–17	23
2.1	Assumptions on Exogenous Variables	23
2.1.1	Growth Rates of the United States and the Euro Area	23
2.1.2	The Exchange Rates	23
2.1.3	Growth Rate of the Broad Money Supply (M2)	24
2.2	Quarterly Forecast for China Major Macroeconomic Indicators in 2016–17	26
2.2.1	GDP Growth Rates	26
2.2.2	Major Prices Indices	26
2.3	Growth Rates of Other Major Macroeconomic Indicators	28
2.3.1	Growth Rates of Exports, Imports, and Foreign Exchange Reserves	28
2.3.2	Growth Rates of Investment in Fixed Assets	30
2.3.3	Growth Rates of Consumption	31

3	Policy Simulation: Macroeconomic Effects of Slowdown in Private Investment Growth	35
3.1	Background	35
3.2	Further Research.	41
3.3	Policy Simulation	43
3.3.1	Model Specification Adjustment	43
3.3.2	Simulation Scenarios Planning	43
3.3.3	Simulation Results	44
4	Policy Implications and Suggestions.	51
Appendix: Report on the Questionnaire Survey on China's Macroeconomic Situation and Policy in 2016		55

China's Macroeconomic Outlook
Quarterly Forecast and Analysis Report, September
2016
2017, XVI, 61 p. 41 illus. in color., Hardcover
ISBN: 978-981-10-3279-0