New technologies are broadly utilized in Shenzhen, helping form new industries in China. Shenzhen-headquartered company BGI Genomics has been leading in the global genetic technology field. Tencent, a Fortune Global 500 company, has played a significant role in promoting the development of China's digital economy. DJI has gone from Shenzhen to the global market, promoting the development and growth of China's drone industry.

The sustained economic growth of Shenzhen highlights the significant potential of China's economy, reflecting the promising prospects for continued growth and ongoing improvement in China's future development.

Innovation is the primary driving force behind Shenzhen's rise, serving as the lifeblood of the city. Innovation is a defining characteristic of Shenzhen, playing a vital role in its development. Similarly, innovation is essential for the progress of China's overall economy. More emphasis should be put on technological innovation on the national level, fostering new quality productive forces.

Eyeing high-quality development, Shenzhen is making great efforts to construct an industrial technology innovation center, playing the role of the leading incubator for Chinese technological advancement, and serving China's future development.

Now, China has a number of emerging technology-heavy cities with development advantages such as Dongguan in South China's Guangdong Province, Suzhou in East China's Jiangsu Province, and Qingdao in East China's Shandong Province. These cities are actively supporting technological innovation, the growth of private sector, and the cultivation of new quality productive forces, which will further stimulate the vitality and momentum of China's development.

China's economy is experiencing a period of steady recovery and a structural adjustment, with sufficient potential for endogenous dynamism and a large room for continued growth. As long as China focuses on solving all the problems in the course of its development, adheres to openness and high-value innovation, and continuously develops new quality productive forces, there is no reason why the Chinese economy will "peak" any time soon.

Giant Ship of China's Economy Cruises Steadily, Defying 'Peak' Hype

Author: Cao Zhongxiong, Assistant President of CDI

Despite the challenges posed by the lackluster global economy and an increasingly complex, severe, and uncertain external environment, China's economy managed to achieve 5.2 percent growth in 2023. This growth contributed over 30 percent to global economic growth, solidifying China's role as a crucial engine for global economic expansion. China's economy, which is pushing over risks and challenges, has maintained steady growth in terms of quantity and scale.

In the face of multiple challenges, China successfully exceeded its annual growth target of around 5 percent set by the Government Work Report for 2023, further enhancing its status as one of the world's top economies. In comparison with other major economies, China's growth outpaced the 2.5 percent of the US, the 0.5 percent of the EU, and the 1.9 percent of Japan.

Economic development should not only be assessed based on quantity, but also on the quality of structural improvements. China's high-tech industries are at the forefront of driving economic growth. In 2023, investment in

technological transformation of manufacturing increased by 3.8 percent compared with the previous year, leading to a rise in the proportion of high-tech manufacturing to 15.7 percent and equipment manufacturing to 33.6 percent in the value-added industrial output.

China has maintained the fastest growth in the world ten or twenty years ago. The world has been accustomed to China's fast growth, thinking that only fast growth is natural for China. However, it should be recognized that the Chinese economy has long surpassed the threshold of 100 trillion yuan, which is the sum of Germany, Japan, India, the UK, and Italy. Entering a new stage of high-level and high-quality development, for the 100 trillion yuan-level Chinese economy, simply observing growth rate is one-sided and biased.

Currently, the giant ship of China's economy needs to cruise at a steady pace. Its growth rate, whether too fast or too slow, is not conducive to high-quality economic development. Issues such as insufficient consumption momentum, debt risks in the real estate sector, and hidden debts at the local level still exist.

Overall, the favorable conditions for China's development are stronger than the unfavorable factors. The basic trend of economic recovery and improvement will not change over the long term, combined with the confidence and determination for China's development which will remain into the future. In the current transition from old to new driving forces, stability is particularly important.

Although the current global situation is constantly changing and factors that are not conducive to globalization and economic growth are increasing, China still insists on new levels of development. This has always been China's commitment to the world's development.

China is actively exploring in the fields of technological innovation, development of private economy, and cultivation of new quality productive forces, which will stimulate the vitality and momentum of China's development. The Chinese economy is in a period of steady recovery and key structural adjustment. With ample potential for continued growth, the economy is not "peaking" as Western media hyped.

To observe China's economic growth and high-quality development, one needs to look at it with a developmental perspective. China is a super large single market, and urbanization is still in progress. China has a complete industrial chain and supply chain system, and has crossed the critical point of mid-term industrialization development. Looking across the world, there are hardly any other major countries that simultaneously meet these features. In this sense, for a considerable period of time in the future, China's crucial role in the world economy will not be replaced.

Based in Shenzhen, Guangdong Province, China Development Institute (CDI) is a non-governmental and market-oriented think tank which was founded in 1989 on approval from the Chinese State Council. CDI develops solutions to public policy challenges through broad-scope and in-depth research to help advance China's reform and opening-up. CDI is committed to providing proactive, innovative and practical research and consultation for China's central and local governments and businesses at home and abroad. Its research and consultation is centered on macro strategy, regional economy, urbanization, industrial development, business strategy and decision-making.

Website
http://en.cdi.org.cn/
Editor-in-chief
Kris Liu, Penny Liu
Email
krisliu@cdi.org.cn, pennyliu@cdi.org.cn
Tel/Fax
+86-755-82411011

CDI
China Development Institute
NEWSLETTER
2024 volume 2

News >

President Fan Gang Spoke at World Green & Sustainability Summit, Urging Global Collaboration on Green Public Goods

The 2024 World Green & Sustainability Summit held on June 25, 2024 in Penang Malaysia, organized by World Digital Chamber, World Green Organization, KSI Strategic Institute for Asia Pacific and supported by China Development Institute, convened government leaders, think tankers, and entrepreneurs from APEC countries to address strategic issues and key challenges in promoting partnership for climate action, energy transition and the business communities to pivot towards sustainable investments, green growth and green finance. In his opening speech, President of CDI Prof. Fan Gang urged collaboration on climate action and stressed the importance of green products and green technologies in contribution to sustainable growth. The summit was attended by Governor of Penang Tun Dato' Seri Utama Ahmad Fuzi.

Academia and Think Tanks Advocated for Green and Sustainable Development

On June 24, 2024, in the roundtable on collaboration between universities and think tanks on climate action, green and sustainable development, Prof Fan Gang, President of China Development Institute, underscored that it is critical for the international community to expand dialogues and exchanges of knowledge sharing on green technological innovation and application. He further disputed the so-called "over capacity" of Chinese electric vehicle, as China's domestic EV market continued to grow and saw EV penetration rate soaring from 5.4% in 2020 to 31.6% in 2023. Looking at the global new energy sector, current production is yet to meet market demand and serious shortage of high-quality product remains. China will continue the effort to meet UN Sustainable Development Goals and accelerate the development of renewable energy industries. The roundtable was attended by Tan Sri Dr Koh Tsu Koon, Former Chief Minister of Penang.

CDI and KSI Held China-ASEAN Think Tank Webinar on Achieving Energy Transition

On April 25, 2024, China Development Institute and KSI Strategic Institute for Asia Pacific jointly held China-ASEAN Think Tank Webinar on achieving energy transition. Experts shared the most recent developments of energy transition in their home country, as well as the challenges and opportunities presented. As the region's economy booms, demand for electricity has kept rising, urging the region to step up not only in terms of renewable energy generation, but also the installed capacity of the electricity network. Albeit the huge potentials within the industry, technological advancement and financial support need to be met first. Therefore, experts suggested China and ASEAN should strengthen technology knowledge exchange, promote project collaboration, and make full use of green finance tools to secure funding. This webinar was attended by policy makers, industry representatives and think tank experts from around the world.

CDI Held China-France Webinar on Building Resilient Economic and Trade Relations

In the China-France Webinar hosted by China Development Institute on May 29, 2024, experts from the two sides dived into how China and France could address the challenges brought by the current world geoeconomic situation and build resilient bilateral economic and trade relations. So far, France is China's third-largest trading partner in the EU and the third-largest source of actual investment, while China is France's largest trading partner in Asia and seventh in the globe. The economic complementarity of the two countries provides a huge potential for China-France cooperation. Unlike other European nations, French companies that operate in China is consisted of not only large multinational corporations, but also SMEs and start-ups. Meanwhile, China has become the largest source of foreign investment in France. In order to solidify the trade partnership and further facilitate investment and business activities, it is important for the two sides to strengthen dialogues on industrial policies, address each other's concerns with rationality and pragmatic approach, and improve business environment for localization.

Singapore Institute of International Affairs Delegation Visited CDI

On May 23, 2024, Prof. Simon Tay led Singapore Institute of International Affairs (SIIA) delegation to China Development Institute. Exchange surrounded topics such as new quality production forces, the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and economic cooperation prospect between ASEAN and GBA. Due to GBA's proximity to ASEAN, trade activity between the two sides has been dynamic and continued to grow, pivoting from manufacturing to service sector. Looking forward, the bilateral trade, investment, science and technology exchange and cooperation could be further facilitated via GBA platforms.

Shenzhen Racing into the Era of Artificial Intelligence

Author: Fan Gang, President of CDI and Cao Zhongxiong, Assistant President of CDI

As a special economic zone and a city blossoming on science and technology, Shenzhen, in South China's Guangdong Province, is not only an economic front-runner, but also a great "mirror" illustrating China's quick pace of technology innovation and economic development.

The development of Shenzhen has been subject to questioning on many occasions in the past decades, but the city has always responded by ironing out the doubts through its rapid development in both headwinds and tailwinds.

Shenzhen represents new quality productive forces, new systems, as well as birth of new and creative policies. It is the best window to observe the transformation of China's economic development. A more in-depth examination of Shenzhen's economic growth can offer proof of the stable and high-quality development of China.

Shenzhen's rapid rise demonstrates the strength of China's ability to achieve quality breakthroughs in its economic development, reinforcing public confidence in the country's economic creativity and capability.

Despite the challenges posed by the lackluster global economy and an increasingly complex and uncertain world environment, China's economy managed to achieve 5.2 percent growth in 2023. During the same period, Shenzhen's local GDP reached 3.46 trillion yuan ($480 billion), representing a 6 percent year-on-year increase, ranking first among the first-tier cities in China, outpacing the growth of Beijing, Shanghai and Guangzhou.

In 2023, Shenzhen's strong retail sector has become a major new driving force for economic growth. Total retail sales of consumer goods reached 1.05 trillion yuan last year, an increase of 7.8 percent over 2022, officially entering the club of Chinese cities with one-trillion-yuan consumption.

From the perspective of industrial structure, Shenzhen regards the development of strategic emerging industries and the cultivation of future industries as important levers to accelerate the formation of new quality productive forces, and coordinates the construction of industrial clusters with advanced manufacturing as its backbone.

By 2023, the strategic emerging industries in Shenzhen have achieved an added value of 1.45 trillion yuan, accounting for 41.9 percent of the city's GDP, with a year-on-year growth of 8.8 percent. In terms of the emerging industries, Shenzhen dares to make forward-looking layouts in cutting-edge technology innovation.