IMA ASIA

Asia Forecast Book
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Forecasts to 2021

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The **Asia Forecast Book** is designed to assist strategic planners look beyond the current cyclical pattern to likely structural changes in Asian markets over the next five years. The analysis draws on regular monthly discussions with clients operating in each market. It also extends the brief 18-month outlook provided in the monthly **Asia Pacific Executive Brief**. The forecasts are reviewed each quarter with clients operating in each of the Asian markets.

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Introduction

Outlook to 2021

The **Asia Forecast Book** focuses on market growth potential. Rather than looking at quarters or years, we prefer to look at growth in five-year blocks, which highlight trends and force us to be clear about the main changes we expect in a market. We provide annual forecasts for the outlook to 2021. The annual forecasts sit within our trend forecast to 2021, which is built in five-year blocks. IMA Asia also provides a one-page snapshot of the short-term outlook for each of the 14 main Asia Pac markets in the monthly **Asia Pacific Executive Brief** (**Asia Brief**). The **Asia Brief** helps clients track changes to the outlook on a monthly basis.

The quarterly and monthly update cycle

Complete forecast rewrites are done in Q2 (June) and Q4 (December). The Q1 update, done in late February, aims to put actual (as opposed to estimated) data for the year just finished and updates the Q4 text where needed. The Q3 update, done in July/August, has sufficient data to sharpen the focus on current year growth and amends both the data and text where needed. Each month our economists and country associates update the 2-year outlook in the **Asia Brief**. Each month we place a monthly update of the Excel workbook for the 5-year forecast in the **Asia Forecast Book** on the web site for use by clients.

Our forecasting process

Our quarterly forecasting process starts with a review of ideas about the outlook with clients at our Asia Forecast Update sessions. These are held in five to eight cities each quarter. Based on the feedback from clients, and input from our country associates across Asia, we then revise our forecasts.

Excel workbook with data and charts

Clients can access an **Asia Forecast Book - Excel Workbook** containing these forecasts on our website. The 16 pages of the workbook contain hundreds of lines of data from 1991 to 2021 as well as some 200 charts that companies can adapt for their own use in internal documents and presentations. Adobe copies of the **Asia Forecast Book** are also available in the Members' Area of our website.

ASIA FORECAST UPDATE SCHEDULE

Our annual schedule is being built around quarterly forecasting conferences in Shanghai, Hong Kong, Singapore, Sydney, and Melbourne. For more information on these and other events, please contact service@imaasia.com

Why forecast this way?

No one knows the future and there are no models that can produce reasonably accurate economic forecasts (demographic trends are the surest). Joining a debate of the forecast has four great benefits over simply publishing a finished forecast:

Corporate review	The forecasts are reviewed with several hundred companies operating in Asia. Many of these companies have been running large operations in Asian markets for decades and have a good feel for market opportunities and problems. Debating the forecast with them improves our own understanding of the outlook.
Analyst debate	We are fortunate to work with some of the best country analysts in Asia (the country directors contributing to the **Asia Brief**). The forecast sessions provide an opportunity for face-to-face debate about the outlook.
Peer group exchange	The forecast review sessions are a great opportunity for senior executives to listen to executives from other industries talk about market performance.
Integration into planning	Our programs are structured to enable companies to participate in forecasting across Asia. This makes our forecasts easier to integrate into in-house planning as executives across Asia get to debate our forecasts.

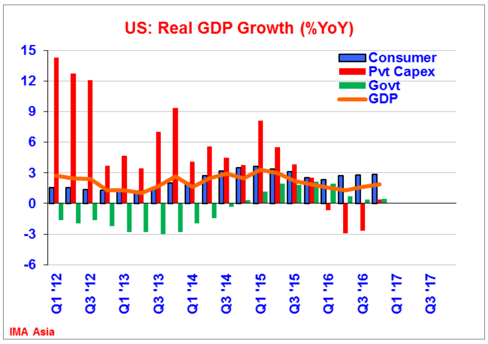
Charts versus presentation slides

In the forecasting conferences we use a diverse array of overhead slides to highlight key trends driving change in each country. The forecasting slides are worth looking at if you were unable to make the meeting; they are available in Adobe format in the members' area of our website. Clients can request PowerPoint copies from our offices.

Global & US Charts

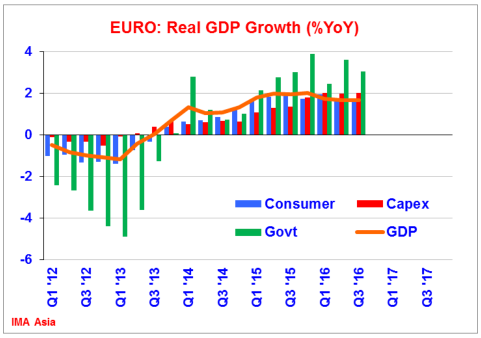
1. The US enters 2017 with a recovery

US growth lifted in Q4'16 after a three-quarter dip. Conditions look good for an acceleration in 2017.



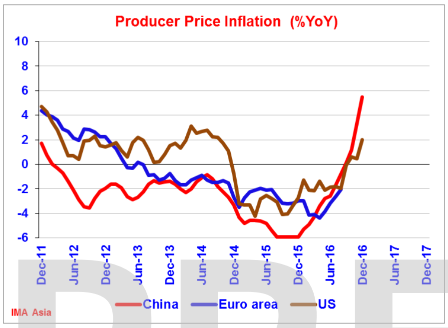
2. Steady expansion in the Euro area

Most Euro area indicators—from housing starts through car sales and unemployment—point to steady growth in 2017.



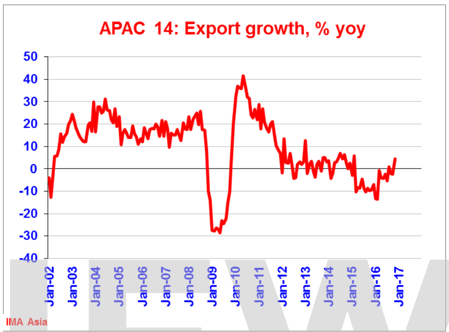
3. Keep an eye on inflation

A jump in hard commodity prices has pushed up producer prices. But excess capacity limits inflation, at least in 2017.



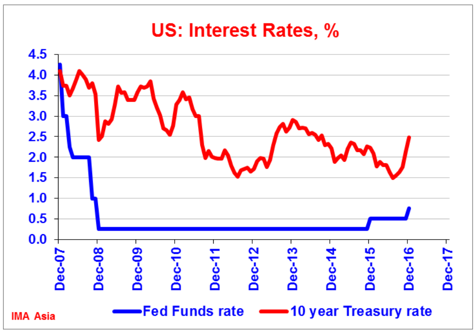
4. A limited trade upturn for Asia

Global changes to consumption and sourcing have limited the upturn in Asia's manufactured exports.



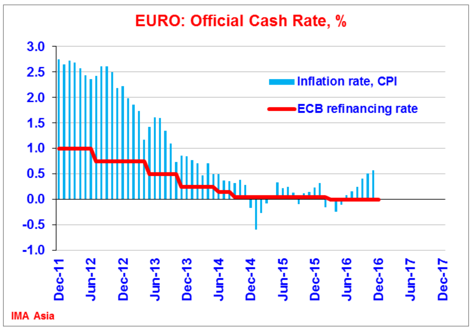
5. The US cautiously lifts its interest rates in 2017

Two US Fed rate hikes in 2017 shouldn't hurt the expansion. But faster rate hikes will be needed in 2018.



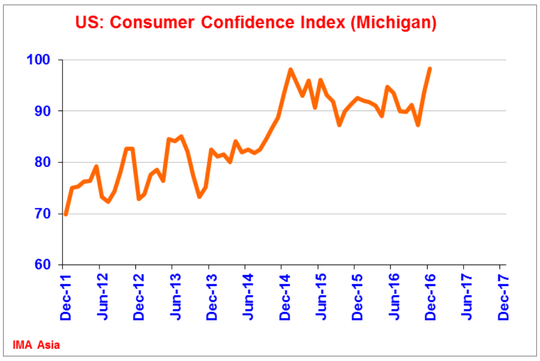
6. The Euro area rate hike will lag the US

Euro area inflation is at last positive, but the ECB will stick with its zero policy rate well into 2017 to help the zone's recovery.



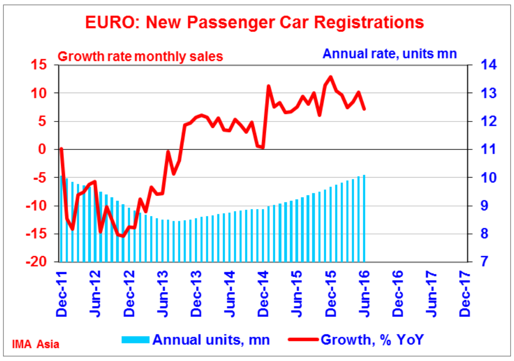
7. US consumer confidence remains good

Despite a snarky election season, consumers remain confident with unemployment just under 5%.



8. Euro consumers are buying more cars

Euro area consumer sentiment and purchases are improving as unemployment drops and job prospects brighten.



Global Outlook

A stronger-than-expected global recovery is underway

In this update, we've lifted the global growth forecast for 2017 to 3.8% from 3.4% (Q4'16). Similar upgrades have been made for 2018 (to 4% from a prior 3.6%), 2019 (to 4.2% from 3.7%), and 2020 (to 4.2% from 3.7%). There's little change to 2021 (to 3.9% from 3.8%). These forecasts reflect a broad global demand recovery, which is particularly notable in the Euro area and quite a few emerging markets outside of Asia. By contrast, there's less change to our US forecast (2017 is lifted to 2.4% from 2.1%; 2018 remains at 2.8%; and small cuts have been made to 2019-2021). Our Asia/Pacific 14 also have a smaller lift in collective growth (to 4.5% from 4.3% for 2017, to 4.3% from 4.1% in 2018, and to 4.3% from 4.2% for 2019). These incremental moves, which reflect our assessment of developments across some 70 variables for every economy, are quite striking. In short, the two places typically expected to drive a global recovery—Asia and the US—are playing a lesser role this time, while other places that have struggled—the Euro area and EM ex-Asia—are at last in firm recoveries. This story is reflected in global PMIs and the latest growth rates being reported for global trade, commodity prices, and industrial production.

Expect more inflation, particularly from 2018

While hard commodity prices have jumped (see below), the impact on consumer price inflation is likely to be muted this year, as there's considerable excess capacity in production and labour markets. Moreover, price rises for key foods have been limited (by January 2017, Thai rice was up around 2%yoy while wheat and corn prices were flat or down). That's good news, as it should allow central banks to opt for mild tightening that will allow demand recoveries to build in both advanced and emerging markets in 2017. Next year, inflation is likely to accelerate, particularly in the US, where an expected lift in an already strong construction market triggers wage-push inflation. After two rate hikes this year (to 1.25% by year end), we expect the US Fed will need to make 4-5 rate hikes in 2018 (to 2.75%) to get ahead of inflation (our forecast remains well above market consensus forecasts). That will keep upward pressure on the US$ through 2018, with 2-3% annual rises on its trade weighted index and the Euro.

Asia's trade recovery – good for commodities, modest (so far) for manufacturers

For 50 years, global upturns have generally ignited a surge in Asian exports, particularly of manufactured goods, with annual growth rates rising to 15-20% (US$ basis). We don't expect such a rebound this time, with total merchandise exports for the A/P 14 expected to grow by around 4% this year and next year after contracting by an average 0.7%pa over the prior five years. Commodity exporters like Australia and Indonesia will do well thanks to the recent surge in key commodity prices (by January 2017, iron ore was up 91%yoy, rubber was up 100%, palm kernel oil up 97%, and Australian coal up 68%). That feeds through into better growth outlooks for both economies and keeps Australia on track for a record 26-year expansion. By contrast, the recovery in export manufacturing has been muted, particularly for China. Lots of factors are at work here, ranging from a shift in Western consumer demand towards services over goods, to "near" or "reshoring" of manufacturing in the developed world driven more by technology and supply chain issues than protectionism. However, we may have underestimated the recovery in export manufacturing, as export data for the final two months of 2016 turned up sharply across the region. We'll watch this closely, and adjust our forecasts in 2017 as trends develop.

Asia's muted 2017 growth recovery

While global conditions for Asia's growth are the best since 2011—with global demand rising yet food and fuel price inflation contained, and interest rates near record lows—the lift in growth across Asia is likely to be muted. A mix of poor politics and policy is responsible (each of our country pages starts with an outlook for political and policy risks that can undermine growth – see also our Simplified Risk Outlook on page 7). The biggest negative for the region is a continued slowdown in China, as it attempts to rebalance from a decade of debt-driven growth without triggering a financial crisis. Neither ASEAN or India can pick up the slack, as they are much smaller and have their own problems. Indonesia, Thailand, and Malaysia—core countries for the ASEAN 10—are grappling with political challenges and suffering from poor policy decisions. Meanwhile, PM Modi's surprise demonetisation in India last November and risks associated with an overly complex GST introduction expected in late 2017, are holding India back.

Asia's good long-term outlook remains intact

By our calculation—and the IMF's—the Asia/Pacific region is still set to gain global market GDP share, rising from 28% in 2010 to 33% in 2015 and to 36% in 2020. Most of that realignment is driven by the rise of Asia's local consumers, particularly in China, but also apparent in ASEAN and India. So, from basic FMCG to car sales and tourism, Asia is set to remain the leading global driver. Underlying demand for construction (housing and infrastructure) is, as a result, also good, but poor public policy and operating conditions limit the lift in construction.

Global & US – Historical Data

	2010	2011	2012	2013	2014	2015
GLOBAL ECONOMY						
Global real growth, % *(IMF & IMA)*	5.4	4.2	3.5	3.3	3.4	3.1
- Asia/Pacific 14 *(IMA Asia)*	7.2	4.7	4.5	4.7	4.4	4.4
- Developing Asia *(IMA Asia)*	10.0	8.3	7.1	7.1	6.8	6.6
- ASEAN 6 *(IMA Asia)*	8.1	4.8	5.9	5.0	4.4	4.4
- Euro Area *(IMF & ECB)*	2.1	1.6	-0.9	-0.3	0.9	1.6
GDP world, current value, US$bn	65,533	72,805	74,240	75,959	77,825	72,535
- Asia/Pacific (14) share, %	27.7	28.8	29.9	29.5	29.9	31.9
- US share, %	22.8	21.3	21.8	22.0	22.3	24.9
- Euro area share, %	19.3	18.7	17.0	17.4	17.3	15.9
World Trade, vol growth, % *(IMF)*	12.4	7.1	2.8	3.4	3.5	2.8
US ECONOMY						
REAL GROWTH, %						
GDP	2.5	1.6	2.2	1.7	2.4	2.6
Personal consumption	1.9	2.3	1.5	1.5	2.9	3.2
Government consumption	0.1	-2.6	-0.9	-2.4	-0.7	1.7
Gross fixed capital expenditure	1.1	3.7	6.4	3.1	4.3	3.7
Exports	11.9	6.9	3.4	3.5	4.3	0.1
Imports	12.7	5.5	2.2	1.1	4.4	4.6
Manufacturing	5.3	0.3	0.3	1.5	1.6	1.3
Construction	-4.5	-0.5	3.8	2.6	0.9	5.0
SHARE OF GDP, %						
Personal consumption	67.9	68.3	67.8	67.7	68.0	68.4
Government consumption	16.5	15.8	15.4	14.8	14.3	14.2
Gross fixed capital expenditure	18.3	18.7	19.4	19.7	20.1	20.3
Exports	12.0	12.6	12.8	13.0	13.3	12.9
Imports	15.1	15.7	15.7	15.6	15.9	16.2
Net Exports	-3.1	-3.1	-2.9	-2.6	-2.7	-3.3
Manufacturing	12.3	12.1	11.9	11.9	11.8	11.7
Construction	3.7	3.7	3.7	3.7	3.7	3.8
GDP CURRENT PRICES						
GDP US$bn	14,964	15,518	16,155	16,692	17,393	18,037
GDP/capita, US$	48,310	49,725	51,386	52,705	54,502	56,084
MARKET INDICATORS						
US$ Trade Weighted Index, % chg	-3.0	-5.8	3.6	3.4	3.2	16.2
Yen to US$1	88	80	80	98	106	121
US$ to 1 Euro	1.33	1.39	1.29	1.33	1.33	1.11
Yuan to US$1	6.77	6.46	6.31	6.20	6.14	6.23
Population, year avg, millions	310	312	314	317	319	322
- population growth rate, %	0.8	0.7	0.7	0.7	0.8	0.8
Unemployment rate %	9.6	8.9	8.1	7.4	6.2	5.3
Manufacturing wage US$/hour	18.61	18.93	19.07	19.29	19.56	19.92
Inflation, CPI, yr avg, % change	1.6	3.1	2.1	1.5	1.6	0.1
Fed Target Rate (top), YE, %	0.25	0.25	0.25	0.25	0.25	0.50
BALANCE OF PAYMENTS						
Export growth, %	16.7	14.2	4.4	3.5	3.2	-5.2
Import growth, %	19.4	13.9	2.7	0.3	3.8	-3.0
Trade Balance, US$bn	-495	-560	-540	-472	-504	-539
Current account balance, % of GDP	-3.0	-2.9	-2.8	-2.3	-2.2	-2.7
GENERAL GOVT, % of GDP						
Revenues	29.1	29.4	29.4	31.6	31.4	31.6
Expenditure	40.0	39.0	37.3	36.0	35.5	35.0
Balance	-10.9	-9.6	-7.9	-4.4	-4.2	-3.5
Gross debt	94.7	99.0	102.5	104.6	104.6	105.2
Net debt	69.4	75.9	79.4	80.8	80.3	79.8

Sources: CEIC, national statistics offices, IMF. **Our accompanying Excel workbook has another 50 lines of data.**

Global & US - Forecast Data

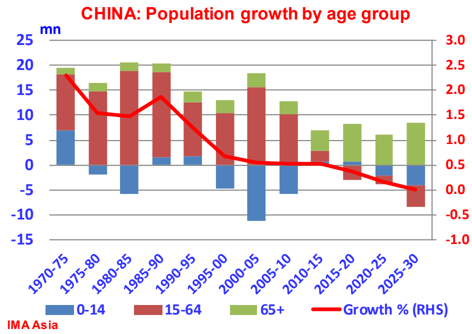
		FORECAST				
	2016	2017	2018	2019	2020	2021
GLOBAL ECONOMY						
Global real growth, % *(IMF & IMA)*	3.1					
- Asia/Pacific 14 *(IMA Asia)*	4.5					
- Developing Asia *(IMA Asia)*	6.4					
- ASEAN 6 *(IMA Asia)*	4.5					
- Euro Area *(IMF & ECB)*	1.7					
GDP world, current value, US$bn	72,833					
- Asia/Pacific (14) share, %	33.2					
- US share, %	25.5					
- Euro area share, %	16.3					
World Trade, vol growth, % *(IMF)*	3.1					
US ECONOMY						
REAL GROWTH, %						
GDP	1.6					
Personal consumption	2.7					
Government consumption	0.8					
Gross fixed capital expenditure	0.8					
Exports	0.4					
Imports	1.1					
Manufacturing	0.6					
Construction	2.0					
SHARE OF GDP, %						
Personal consumption	69.1					
Government consumption	14.1					
Gross fixed capital expenditure	20.1					
Exports	12.8					
Imports	16.1					
Net Exports	-3.4					
Manufacturing	11.6					
Construction	3.8					
GDP CURRENT PRICES						
GDP US$bn	18,567					
GDP/capita, US$	57,247					
MARKET INDICATORS						
US$ Trade Weighted Index, % chg	0.5					
Yen to US$1	109					
US$ to 1 Euro	1.11					
Yuan to US$1	6.6					
Population, year avg, millions	324					
- population growth rate, %	0.8					
Unemployment rate %	4.9					
Manufacturing wage US$/hour	20.39					
Inflation, CPI, yr avg, % change	1.3					
Fed Target Rate (top), YE, %	0.75					
BALANCE OF PAYMENTS						
Export growth, %	-3.0					
Import growth, %	-2.8					
Trade Balance, US$bn	-528					
Current account balance, % of GDP	-2.6					
GENERAL GOVT, % of GDP						
Revenues	31.4					
Expenditure	35.5					
Balance	-4.1					
Gross debt	108.2					
Net debt	82.2					

Sources: CEIC, national statistics offices, IMF. **Our accompanying Excel workbook has another 50 lines of data.**

China - Charts

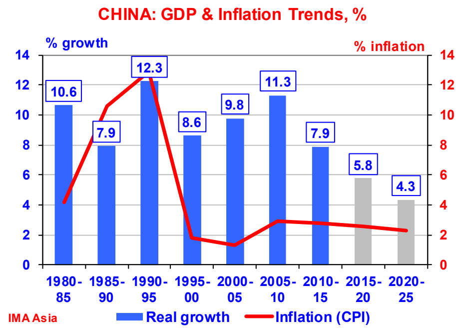
1. A shrinking workforce

The new two-child policy won't stop the working-age population from declining in the next decade.



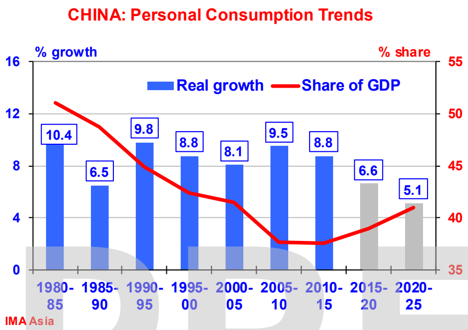
2. Slower GDP growth

GDP growth is set to slow due to the shrinking working-age population, an investment downturn and weaker trade.



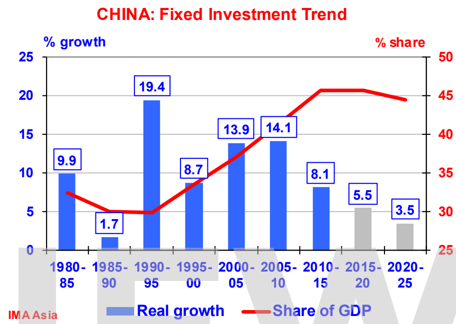
3. Consumer spending will play a bigger role

Despite slower growth, consumer spending will rise as a share of GDP as investment slows dramatically.



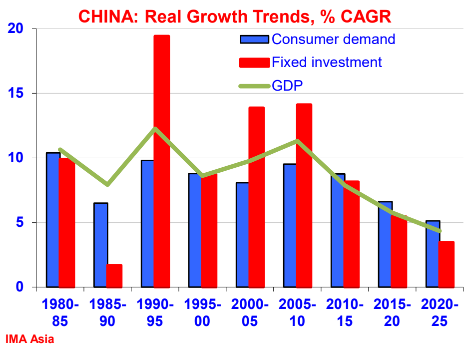
4. Deflating an investment bubble

Following years of debt-fuelled capex expansion, fixed investment growth is set to slow sharply.



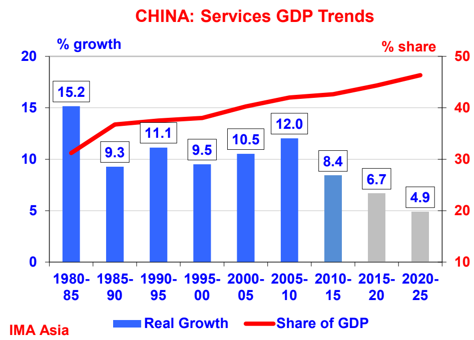
5. Towards a more consumption-driven economy

China is rebalancing from an investment to consumption-driven economy.



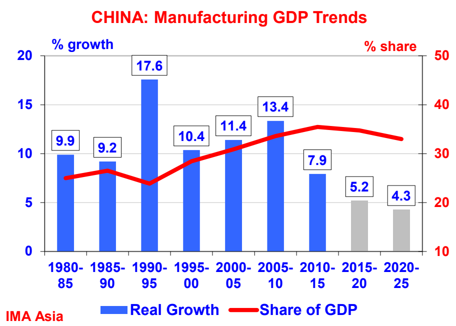
6. A growing services sector

Services will lead overall GDP growth and likely rise from 43% of GDP in 2015 to 47% by 2025.



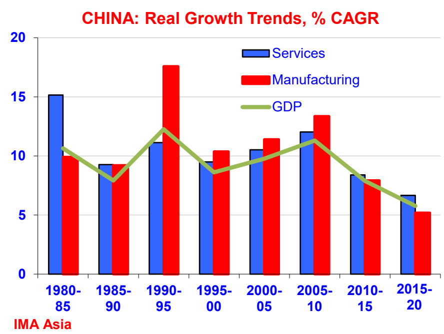
7. A rebalancing manufacturing sector

Slower manufacturing growth is expected, as the industrial shakeout continues and manufacturing climbs up the value chain.



8. Transitioning to a services-driven economy

In line with a maturing economy, China is rebalancing towards more services and less industry.



China – Outlook

Risks

Political

	Level
Rating	Moderate
Outlook	Negative

After consolidating his power over the Party, government and military in his first five-year term, President Xi's supporters will almost certainly dominate appointments to the 25-member Politburo and its Standing Committee in this autumn's leadership reshuffle. While the focus will be on stability this year leading into Xi's second five-year term, his growing dominance means that China has retreated from decades of slow-moving consensus-based leadership in favour of more centralised power, raising the risk of major policy missteps from 2018. Thus, we've moved China's political outlook rating to Negative from Stable, with a return to Stable possible should Xi's dominance result in much-needed reforms.

Economic

Rating	Moderate
Outlook	Negative

GDP continues to grow above potential, albeit at the expense of a rapid build-up of debt, ongoing capital misallocation and government-driven investment. The rising credit intensity of economic growth has made China more vulnerable to economic shocks. High national savings, little external debt, tight capital controls and Beijing's control over the banks and SOEs mean China has sufficient buffers to avoid a hard-landing for now. However, Beijing needs to accept that its economy is irreversibly slowing if it is to avoid a disorderly unwinding of debt-fuelled growth.

Operating

Rating	Moderate
Outlook	Negative

We maintain our Negative outlook for the operating environment due to fierce local competition, geopolitical uncertainties, rising nationalism, increasingly delayed receivables, and escalating credit risks.

Outlook by sector

GDP

	% Growth
CAGR 2005-15	9.6
2016	6.7
2017	6.2
CAGR 2017-21	5.2

The Chinese economy remains in transition with an aging population, weaker investment, industrial upgrading, slower productivity growth, environmental degradation, and fading stimulus measures likely to force GDP growth down towards 5.0-5.5%pa in 2017-21, from 9.6%pa in the decade to 2015. Following years of excessive credit growth that fuelled overinvestment, the transition to slower but more sustainable growth should see household consumption rise to 41% of GDP by 2021 from 38% in 2016.

Consumer

CAGR 2005-15	9.1
2016	7.4
2017	7.0
CAGR 2017-21	6.1

Despite slower wage growth, consumers are likely to trim their savings and take on more debt thanks to healthy household balance sheets characterised by high savings (30% of disposable income) and low household debt (45% of GDP). That should keep consumer spending growth at around 6.0-6.5%%pa in 2017-21 from 9.1%pa in the decade to 2015. In addition, better pension and medical coverage should also reduce precautionary savings and help boost consumer spending.

Investment

CAGR 2005-15	11.1
2016	6.3
2017	5.9
CAGR 2017-21	4.9

Fixed investment (46% of GDP) growth will likely slow to around 5%pa in 2017-21 from an unsustainably high 11%pa in the decade to 2015, as property and manufacturing capex (some 62% of fixed investment) are cooling. A realignment of industry towards higher value-added industries like healthcare should support plant and equipment capex, while investment in the bourgeoning service sector and public infrastructure should help cushion the overall capex slowdown.

Manufacturing

CAGR 2005-15	10.6
2016	5.9
2017	5.2
CAGR 2017-21	4.9

Reduced cost-competitiveness and an unfavourable external environment are impairing mid- to low-end manufacturing, while high-end industries are steadily climbing up the value chain. This gradual industrial rebalancing should slow manufacturing growth to about 5%pa in 2017-21 from 10.6%pa in 2005-15.

Construction

CAGR 2005-15	11.7
2016	5.0
2017	4.8
CAGR 2017-21	3.8

After a three-decade investment boom, a high home ownership rate, diminishing investment returns and a tighter credit environment should slow construction growth to around 3.5-4.0%pa in 2017-21 from 11.7%pa in the decade to 2015. Beijing's infrastructure stimulus will provide short-term relief but should eventually cool off.

Government

Slowing revenue growth and a surging budget deficit are likely to force Beijing into reducing its consumption growth to 5%pa in 2017-21 from 9.4%pa in 2005-15.

Inflation & interest rates

Lower food price volatility, muted services inflation, and modest imported inflation should contain consumer price inflation at 2-3%pa in 2017-21. Monetary policy should remain mildly accommodative to support growth.

Currency

Three fundamental drivers of Yuan appreciation (a rising trade surplus, large capital inflows and an ultra-low US interest rate) have reversed since 2015 and should continue in coming years. That's should see the Yuan depreciate to 7.5 against the US$ by 2019, before entering another gradual appreciation cycle.

China – Historical Data

	2010	2011	2012	2013	2014	2015
REAL GROWTH, % (2005 prices)						
GDP expenditure	10.6	9.5	7.9	7.8	7.3	6.9
Personal consumption	9.3	11.9	8.6	7.1	8.3	7.9
Government consumption	9.0	12.8	8.7	7.4	4.4	9.2
Gross fixed capital expenditure	12.5	8.8	9.0	9.3	6.8	6.8
Exports	17.5	12.2	6.7	9.2	9.1	0.2
Imports	22.0	17.7	6.6	10.6	8.7	0.6
SHARE OF GDP, %						
Household consumption	36.7	37.5	37.8	37.5	37.9	38.2
Government consumption	13.3	13.7	13.8	13.8	13.4	13.7
Gross fixed capital expenditure	45.4	45.1	45.6	46.2	46.0	45.9
Exports	30.9	31.6	31.3	31.7	32.2	30.2
Imports	28.5	30.6	30.3	31.1	31.5	29.6
Net exports	2.4	1.0	1.0	0.6	0.7	0.6
GDP PRODUCTION, %						
Services real growth %	9.6	9.5	8.1	8.3	7.9	8.3
- share of GDP, %	42.3	42.3	42.4	42.6	42.8	43.4
Manufacturing real growth %	13.3	9.8	8.9	7.6	6.9	6.4
- share of GDP, %	39.7	39.6	38.3	36.9	35.9	33.8
Construction real growth %	13.8	9.7	9.8	9.7	9.1	4.3
- share of GDP, %	6.6	6.8	6.9	6.9	7.0	6.9
CURRENT MARKET PRICES						
GDP, growth %	17.4	18.3	11.2	10.3	8.6	7.4
GDP, US$ billions	6,005	7,442	8,471	9,519	10,426	11,040
GDP Services, US$ billions	2,670	3,321	3,850	4,453	4,979	5,485
GDP Manufacturing, US$ billions	2,398	2,965	3,240	3,507	3,714	3,677
GDP Construction, US$ billions	401	508	583	659	729	746
GDP/capita US$	4,478	5,523	6,256	6,995	7,623	8,032
INDICATORS						
Exchange rate, yr avg., to US$1	6.8	6.5	6.3	6.2	6.1	6.2
Exchange rate, yr avg., to Euro 1	9.0	9.0	8.1	8.2	8.2	6.9
Exchange rate, yr avg, Yen to Yuan 1	13.0	12.4	12.6	15.7	17.2	19.4
Population, millions	1,341	1,347	1,354	1,361	1,368	1,375
Unemployment rate, urban reg., %	4.1	4.1	4.1	4.1	4.1	4.1
Manufacturing wage, Yuan/month	2,576	3,055	3,471	3,869	4,281	4,610
- growth, %	15.3	18.6	13.6	11.5	10.6	7.7
- Hourly US$ estimate	2.0	2.5	3.0	3.4	3.7	4.0
Inflation, CPI % year average	3.3	5.4	2.6	2.6	2.0	1.4
PBOC 1-year loan rate, Dec., %	5.8	6.6	6.0	6.0	5.6	4.4
Industrial value added, % chg	15.7	13.9	10.0	9.7	8.3	6.1
BALANCE OF PAYMENTS						
Export growth, $US basis, %	31.3	20.3	7.9	7.8	6.0	-2.6
Import growth, $US basis, %	38.9	24.9	4.4	7.3	0.7	-14.4
Trade Balance, US$bn	185	158	233	261	380	602
Current account balance, US$bn	238	136	215	148	277	331
- as a % of GDP	4.0	1.8	2.5	1.6	2.7	3.0
Foreign reserves, US$bn	2,847	3,181	3,312	3,821	3,843	3,330
- as a % of GDP	47.4	42.7	39.1	40.1	36.9	30.2
Foreign debt, US$bn	549	695	737	863	896	933
- as a % of GDP	9.1	9.3	8.7	9.1	8.6	8.5
GENERAL GOVT, % of GDP						
Revenue	24.8	27.2	28.1	28.0	28.3	29.2
Expenditure	24.2	27.3	28.8	28.9	29.3	31.9
Balance	0.6	-0.1	-0.7	-0.8	-0.9	-2.7
Gross debt - central govt only	35.1	35.3	36.9	39.5	41.1	43.9

Sources: UN, national statistics offices, IMF, ADB, CEIC. **Our accompanying Excel workbook has another 50 lines of data.**

China - Forecast Data

		FORECAST				
	2016	2017	2018	2019	2020	2021
REAL GROWTH, % (2005 prices)						
GDP expenditure	6.7					
Personal consumption	7.5					
Government consumption	6.2					
Gross fixed capital expenditure	6.3					
Exports	-1.3					
Imports	-1.0					
SHARE OF GDP, %						
Household consumption	38.5					
Government consumption	13.6					
Gross fixed capital expenditure	45.8					
Exports	27.9					
Imports	27.5					
Net exports	0.4					
GDP PRODUCTION, %						
Services real growth %	7.6					
- share of GDP, %	43.8					
Manufacturing real growth %	5.7					
- share of GDP, %	32.1					
Construction real growth %	6.0					
- share of GDP, %	6.6					
CURRENT MARKET PRICES						
GDP, growth %	8.7					
GDP, US$ billions	11,251					
GDP Services, US$ billions	5,738					
GDP Manufacturing, US$ billions	3,557					
GDP Construction, US$ billions	727					
GDP/capita US$	8,144					
INDICATORS						
Exchange rate, yr avg., to US$1	6.6					
Exchange rate, yr avg., to Euro 1	7.4					
Exchange rate, yr avg, Yen to Yuan 1	16.4					
Population, millions	1,381					
Unemployment rate, urban reg., %	4.1					
Manufacturing wage, Yuan/month	4,841					
- growth, %	5.0					
- Hourly US$ estimate	3.9					
Inflation, CPI % year average	2.0					
PBOC 1-year loan rate, Dec., %	4.4					
Industrial value added, % chg	5.9					
BALANCE OF PAYMENTS						
Export growth, $US basis, %	-6.4					
Import growth, $US basis, %	-5.4					
Trade Balance, US$bn	547					
Current account balance, US$bn	290					
- as a % of GDP	2.6					
Foreign reserves, US$bn	3,011					
- as a % of GDP	26.8					
Foreign debt, US$bn	945					
- as a % of GDP	8.4					
GENERAL GOVT, % of GDP (IMF)						
Revenue	27.7					
Expenditure	30.7					
Balance	-3.0					
Gross debt - central govt only	46.3					

Sources: UN, central banks, offices, IMF, ADB, CEIC. **Our accompanying Excel workbook has another 50 lines of data.**