

Rebalancing and Deleveraging in China

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UNITED STATES
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China's Five Rebalancings

- External demand → domestic demand
- Fixed-asset investment → household consumption
- Manufacturing → services
- Energy-intensive → environmentally friendly
- State-dominated → a true level playing field for the private sector

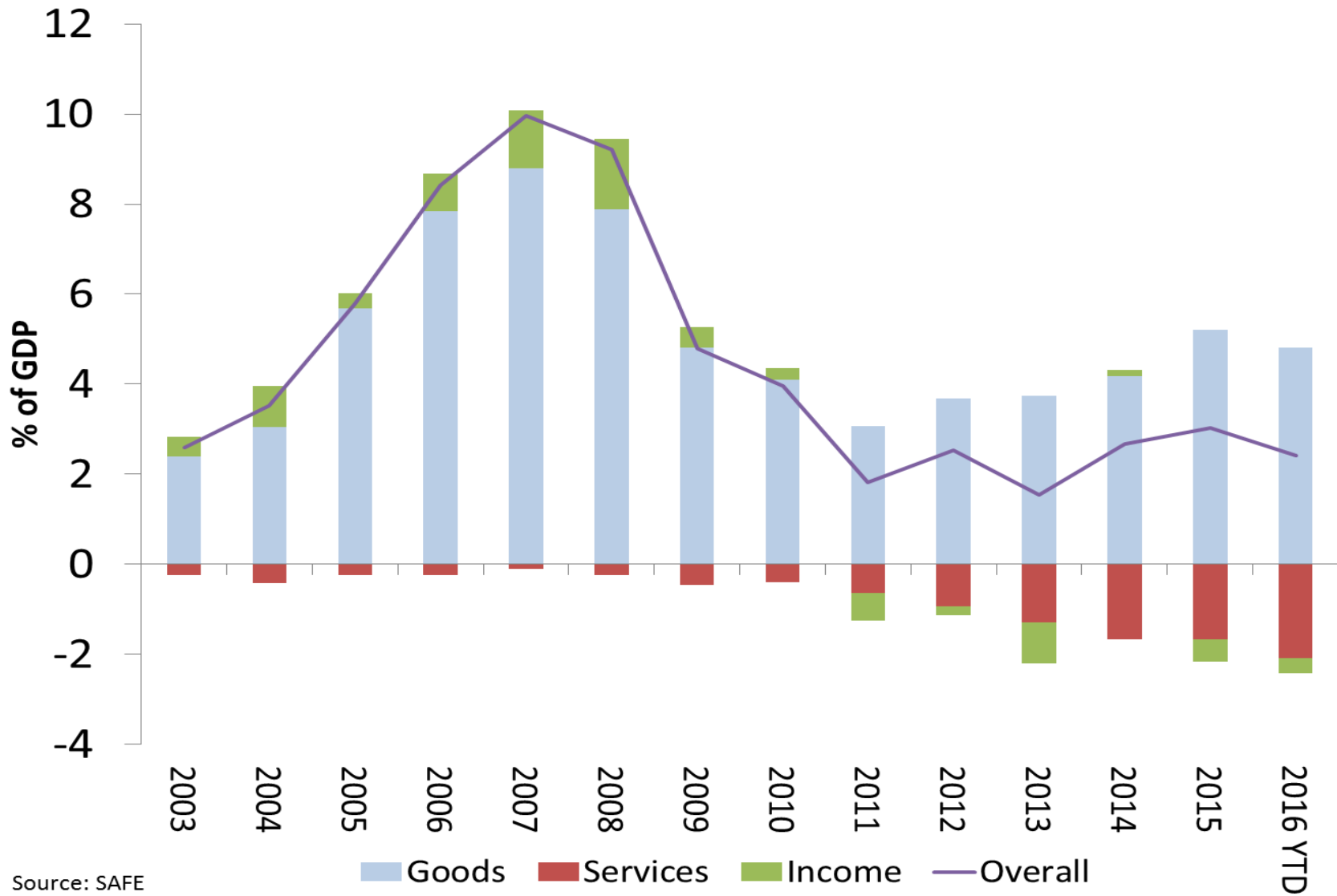
China: Contribution of Net Exports To Growth



Source: NBS

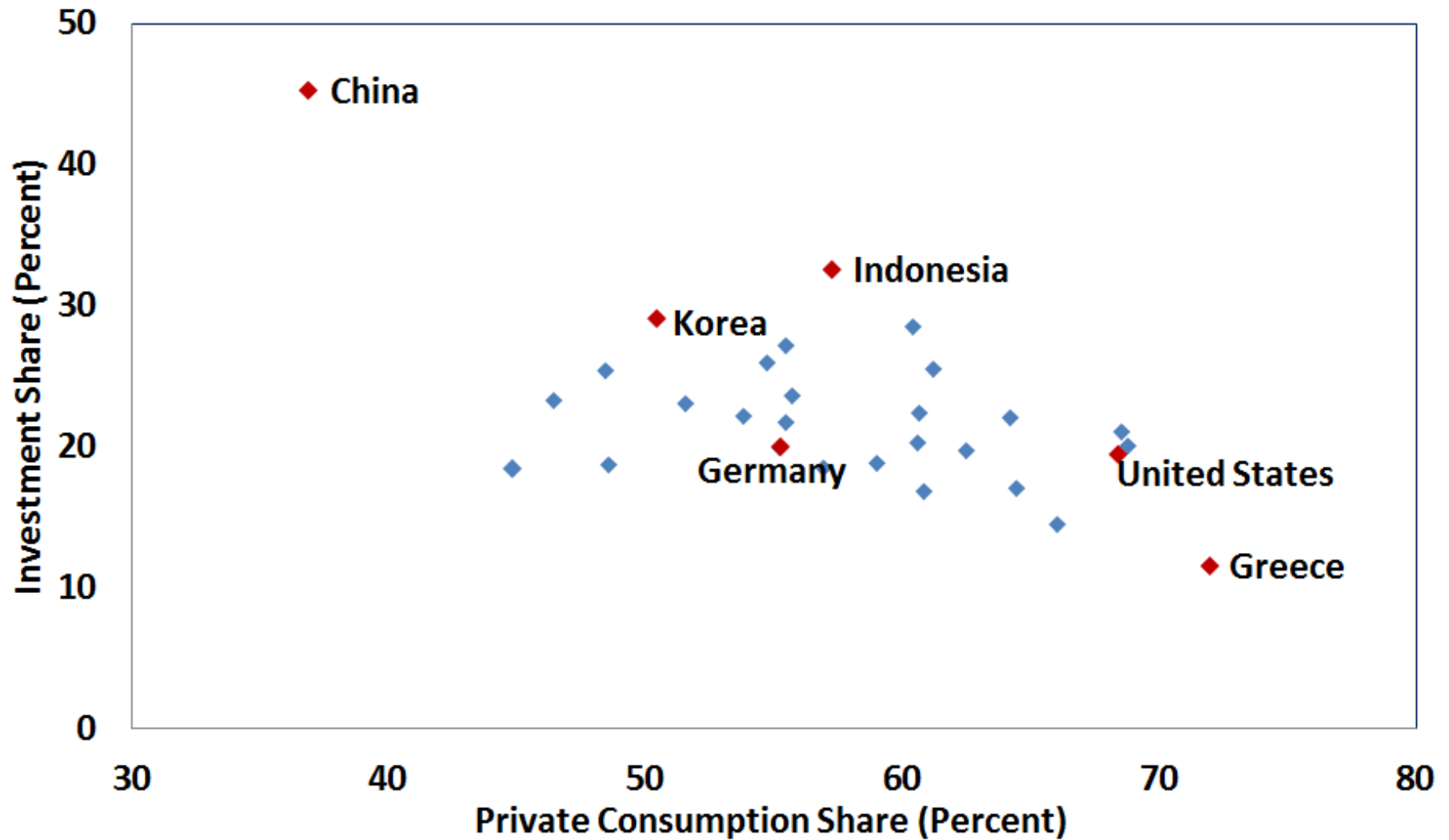
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China: Current Account Components



Source: SAFE

China: Consumption vs. Investment Share of GDP (2014)

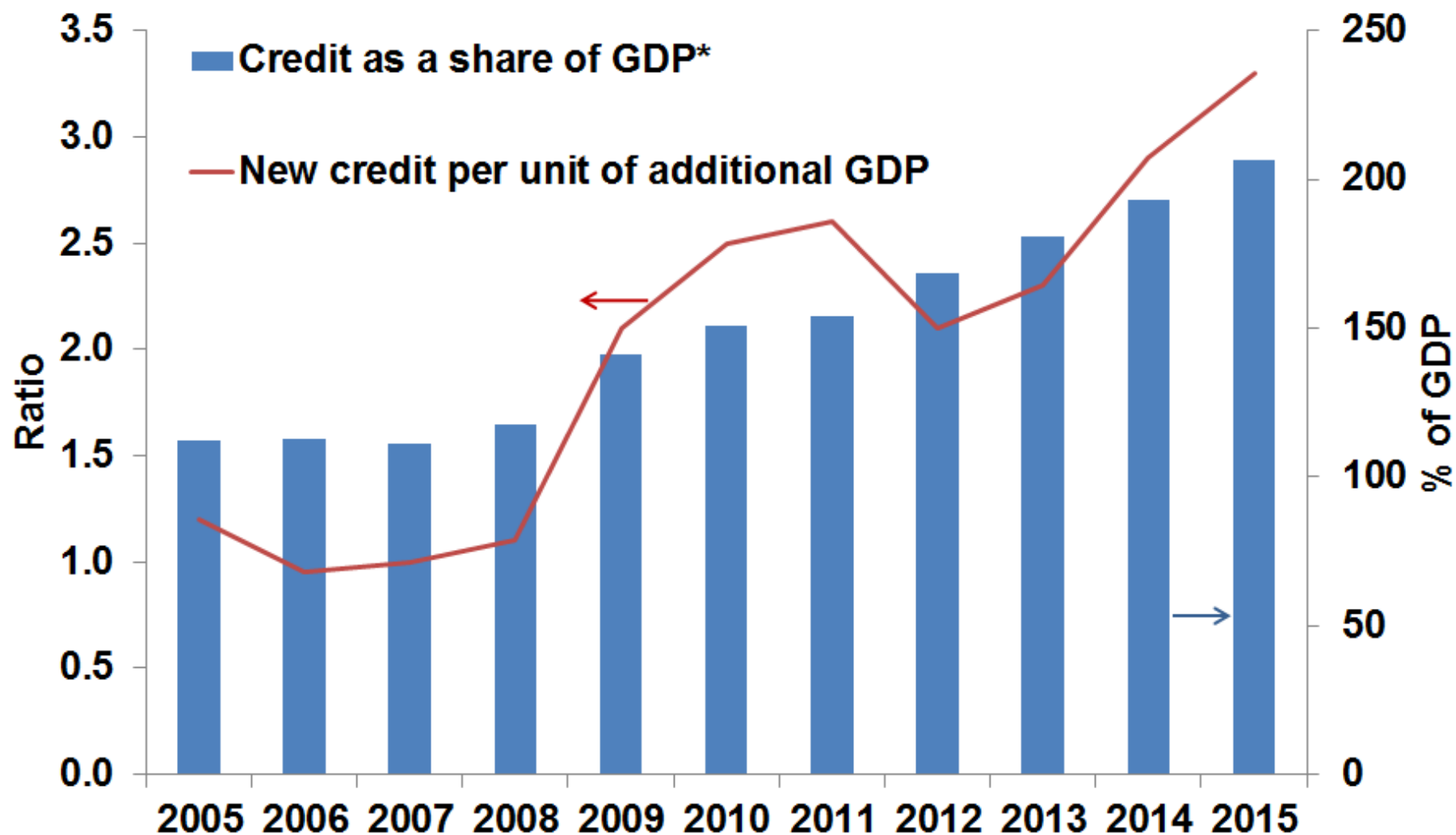


Note: Investment is total gross fixed capital formation.

Source: World Bank and national agencies.

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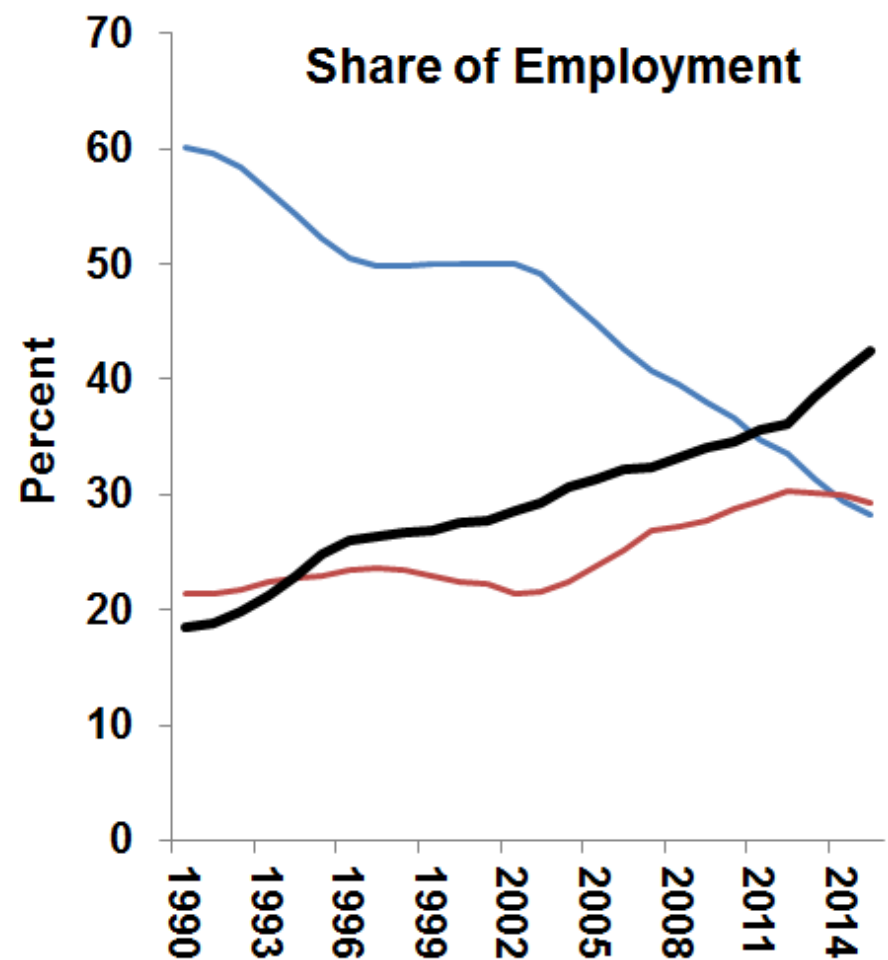
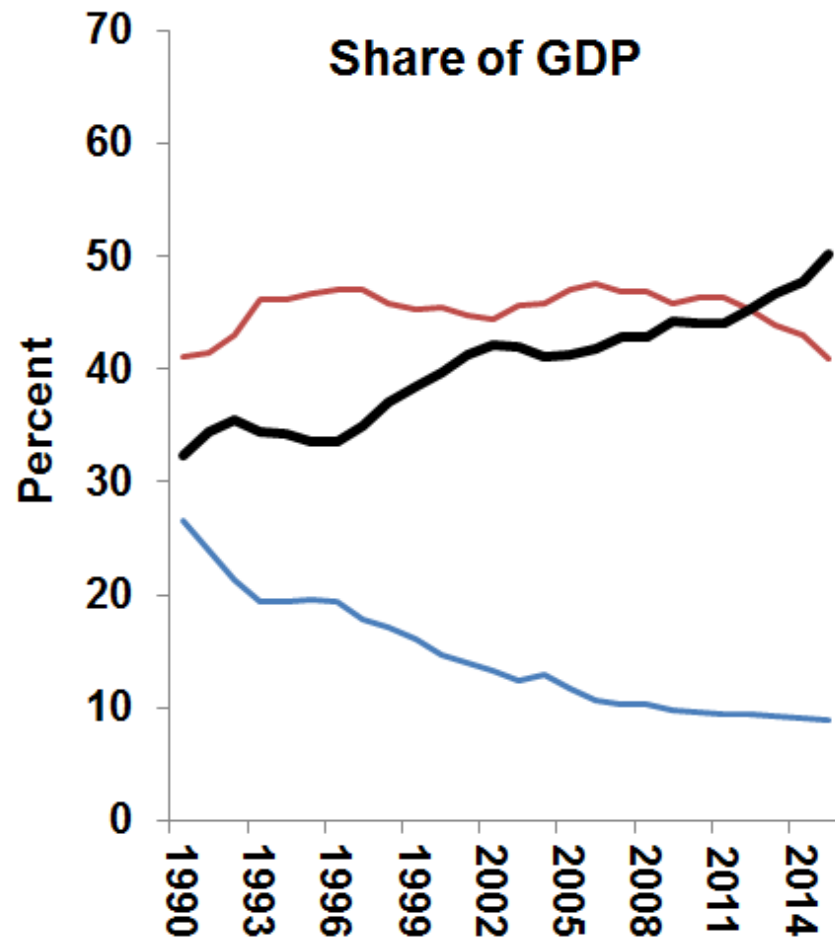
China: Credit Intensity



* As measured by Total Social Financing or TSF

Source: PBOC, S&P, IMF calculations
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China: Services Sector

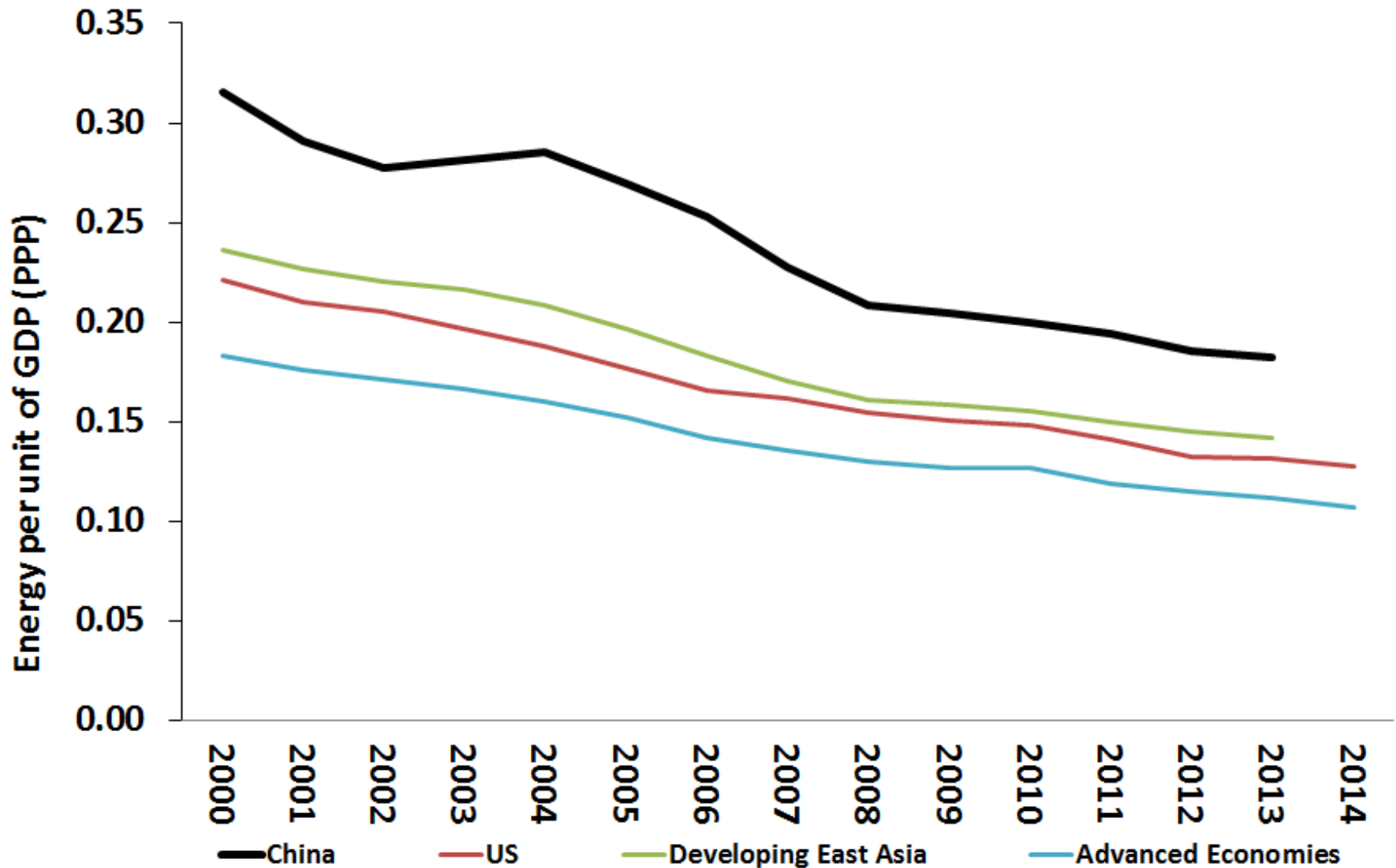


—Agriculture —Industry —Services

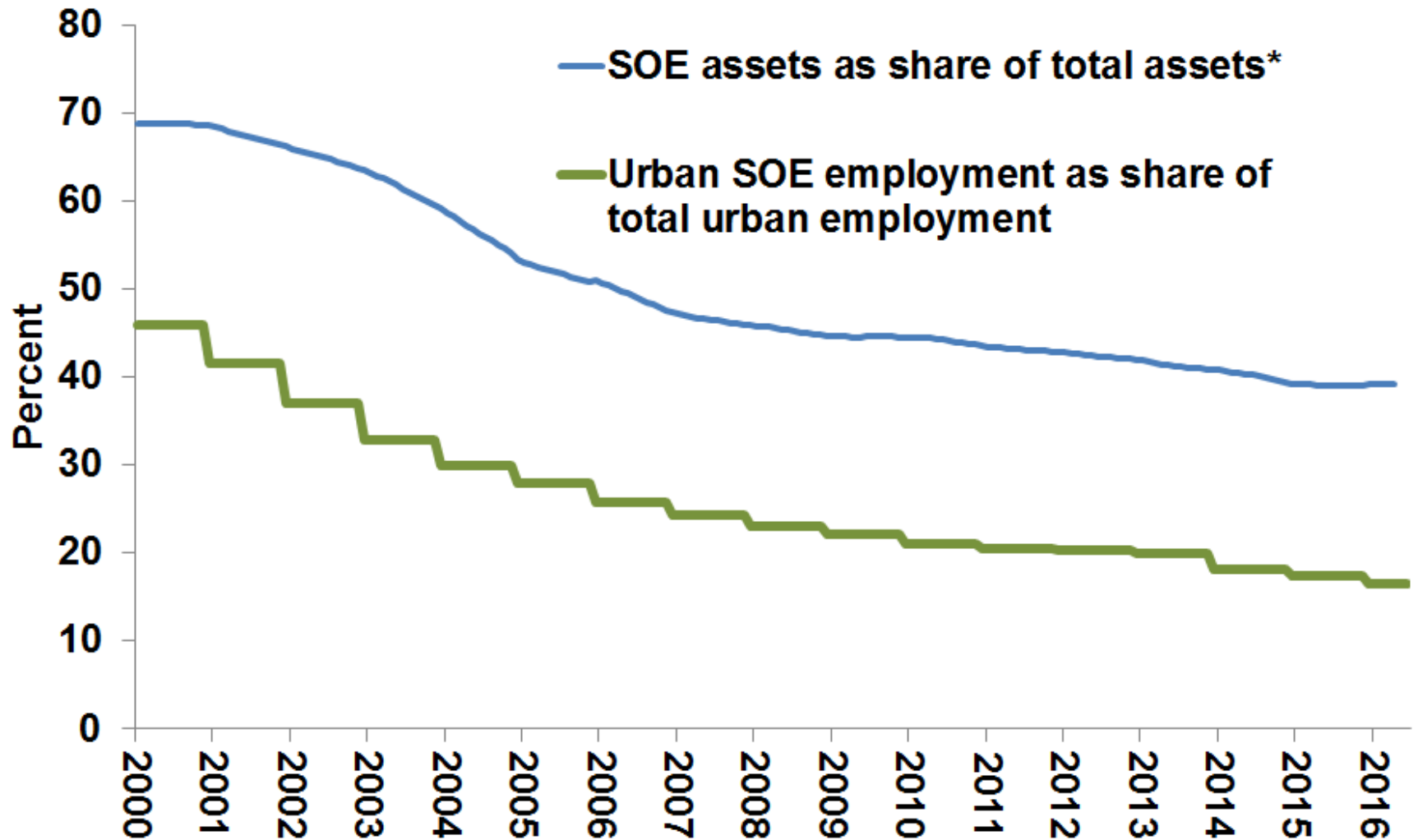
Source: NBS

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China: Energy Intensity



China: Size of State-Owned Sector

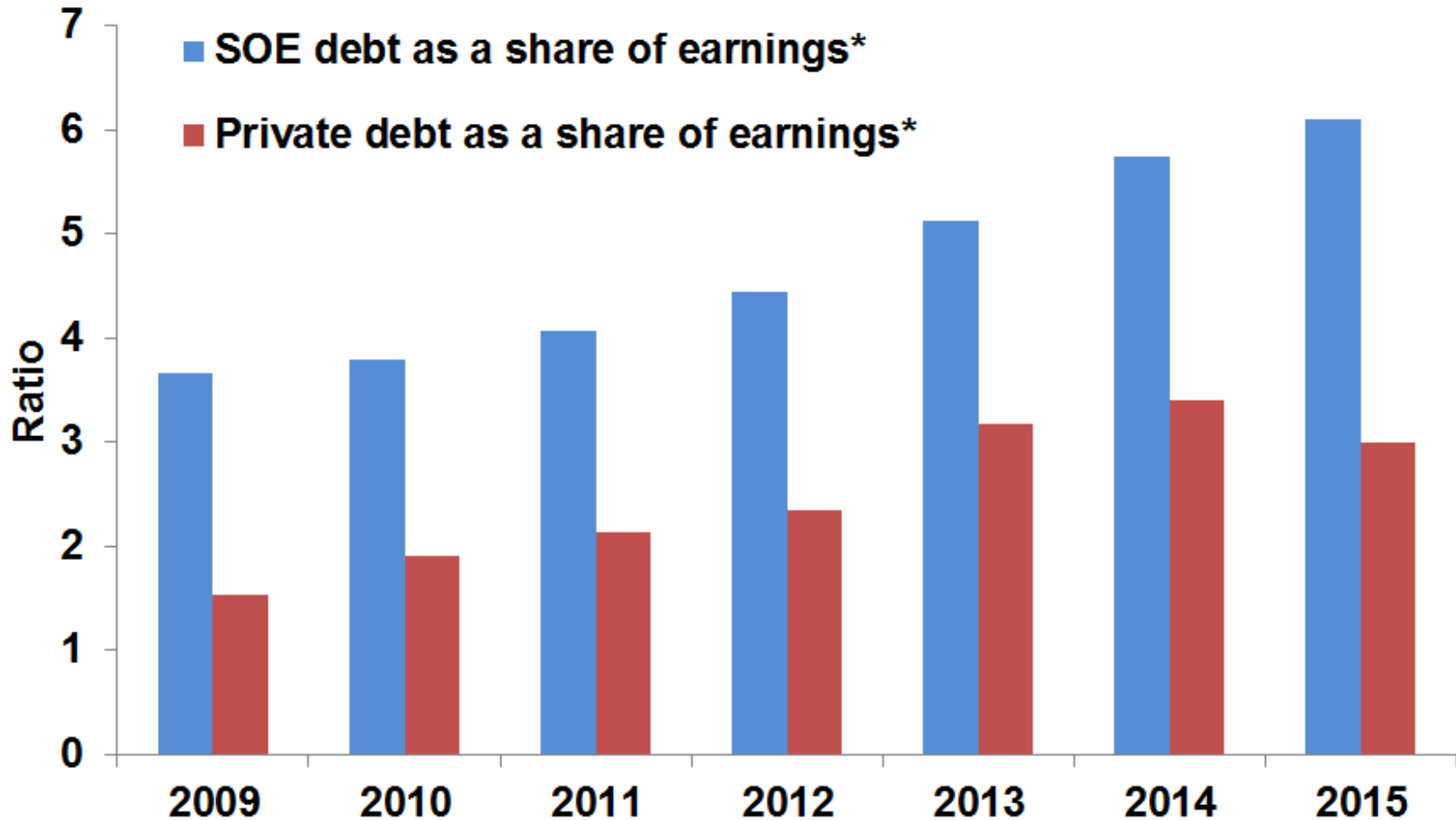


* Assets reported as state controlled as percent of total assets, 12-month moving average.

Source: CEIC

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China: SOE versus Private Leverage



* Gross debt divided by EBITDA (earnings before interest, tax, depreciation, and amortization)

Source: S&P