Rebalancing and Deleveraging in China
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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
OFFICE OF INTERNATIONAL AFFAIRS
China: Current Account Components

Source: SAFE

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

Note: Investment is total gross fixed capital formation.
Source: World Bank and national agencies.
Office of International Affairs
China: Credit Intensity

Credit as a share of GDP*

New credit per unit of additional GDP

* As measured by Total Social Financing or TSF

Source: PBOC, S&P, IMF calculations

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China: Services Sector

Share of GDP

Share of Employment

Source: NBS

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China: Size of State-Owned Sector

- SOE assets as share of total assets*
- Urban SOE employment as share of total urban employment

* 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

*SOE debt as a share of earnings*

*Private debt as a share of earnings*

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

Source: S&P

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