

The Conference Board

China Economy Watch

August 4, 2022

Status Assessment & Near-term Outlook for China

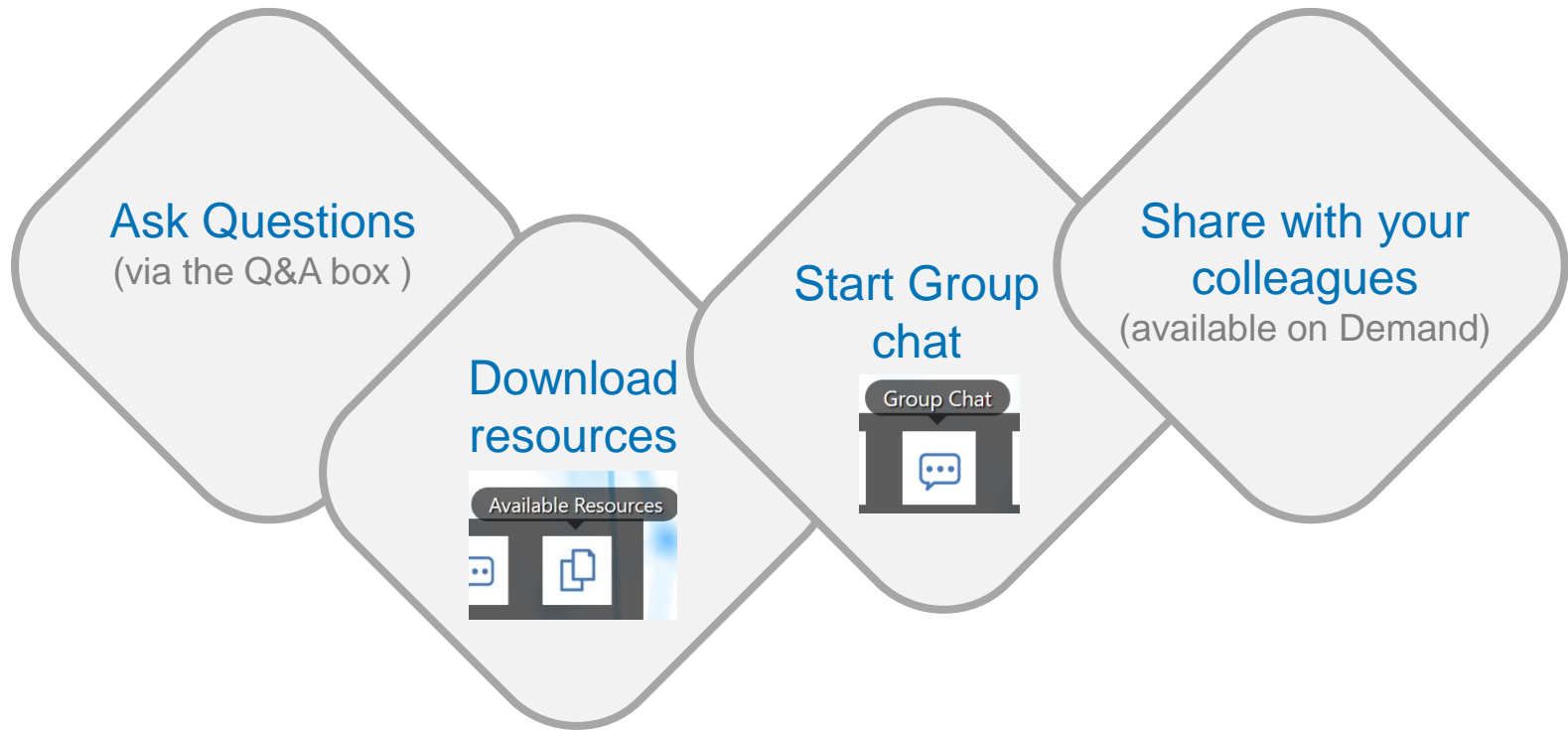


Questions we will be exploring today

- How will China's economic recovery in 2022-23 be different from the one the country experienced in 2020-21?
- What is The Conference Board's current outlook for the global economy and inflation?
- What are the reasons behind weakness in household spending?
- How long is China's ongoing property market downcycle expected to last?



Making the most of the webcast



Tell us about your experience to help us improve our future program



Panelists



Amy Huang (Moderator)
Economist
China Center
The Conference Board



Yuan Gao
Senior Economist
China Center
The Conference Board

Poll 1

After a 2.5% growth in the first half of 2022, what do you expect China's growth rate will be in the second half?

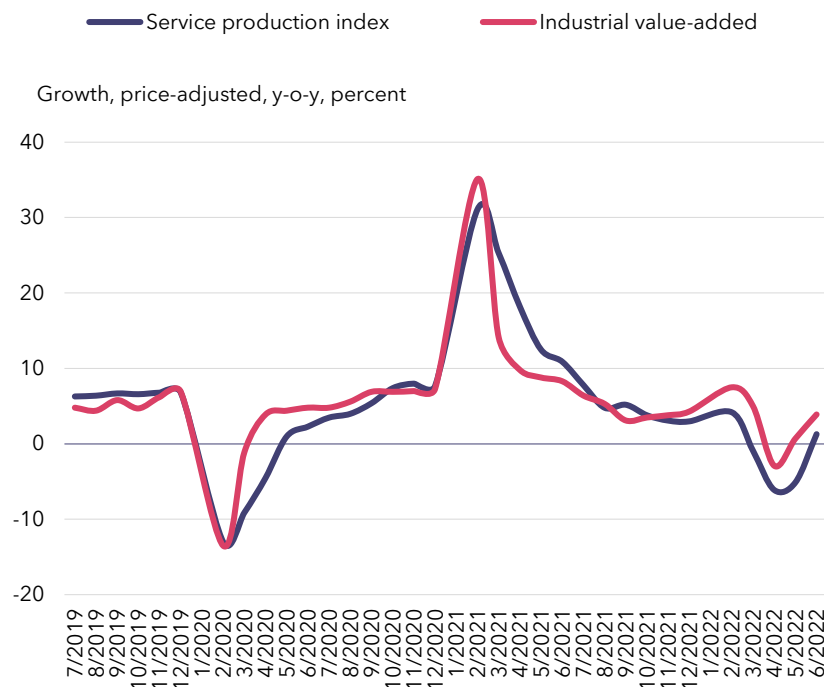
- a. Above 5.5%
- b. 5 – 5.5%
- c. 4 – 5%
- d. Under 4%, but positive
- e. Negative growth



Weak demand will hold back China's economic recovery

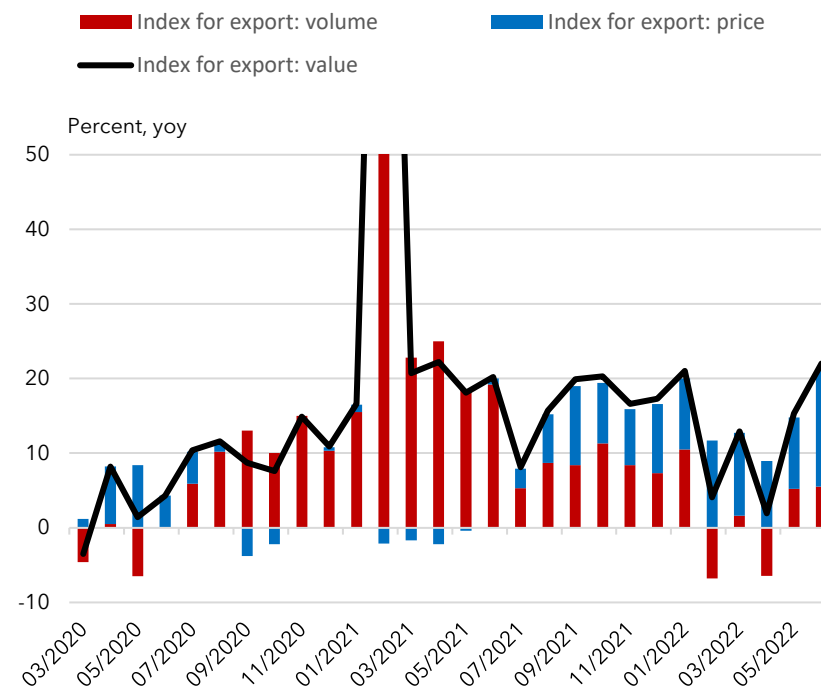
Three challenges in the coming quarters: COVID-related restrictions, weak investment in housing market, and global economic slowdown

China's economy is recovering from April's slump



Sources: NBS, CEIC, The Conference Board

External demand has been moderating



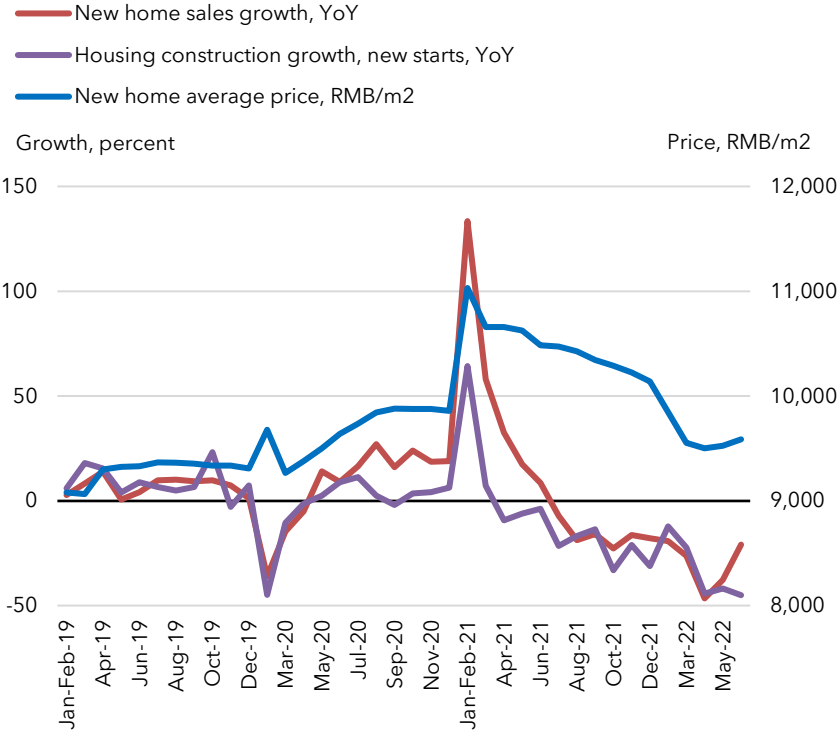
Sources: GAC, CEIC, The Conference Board



Property investment will stay weak in 2H and probably beyond

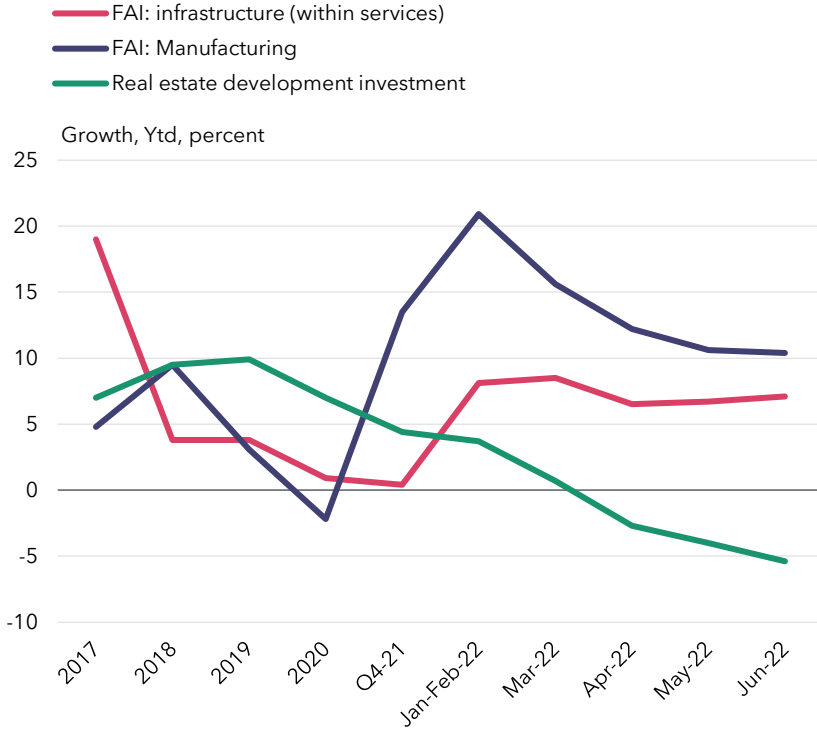
In the short-term, it will be hard to reverse the weak outlook in housing prices and weak investor confidence

The downcycle of China's housing market continues



Sources: NBS, CEIC, The Conference Board

Weakness in property investment is dragging down fixed asset investment (FAI) growth

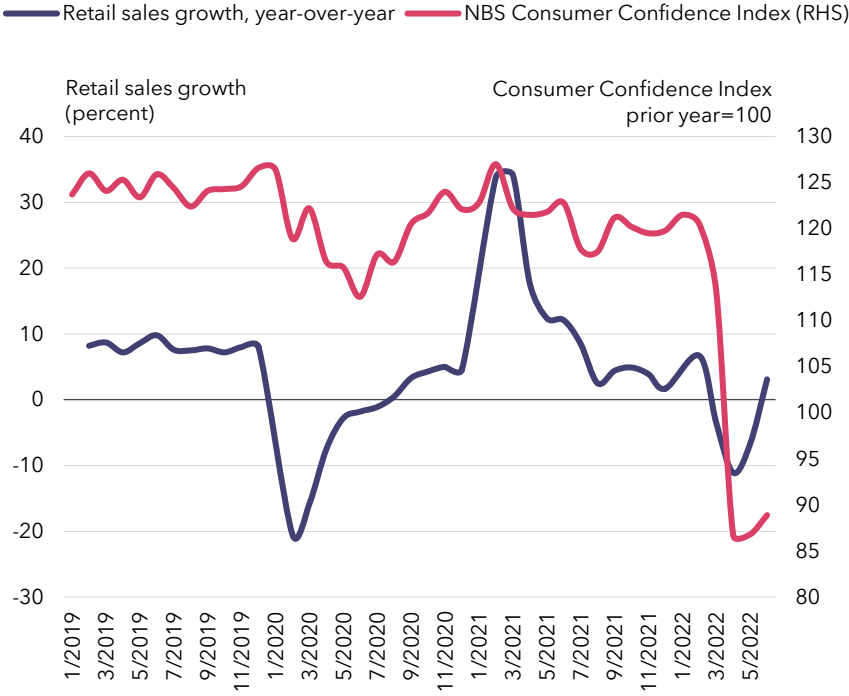


Sources: NBS, CEIC, The Conference Board



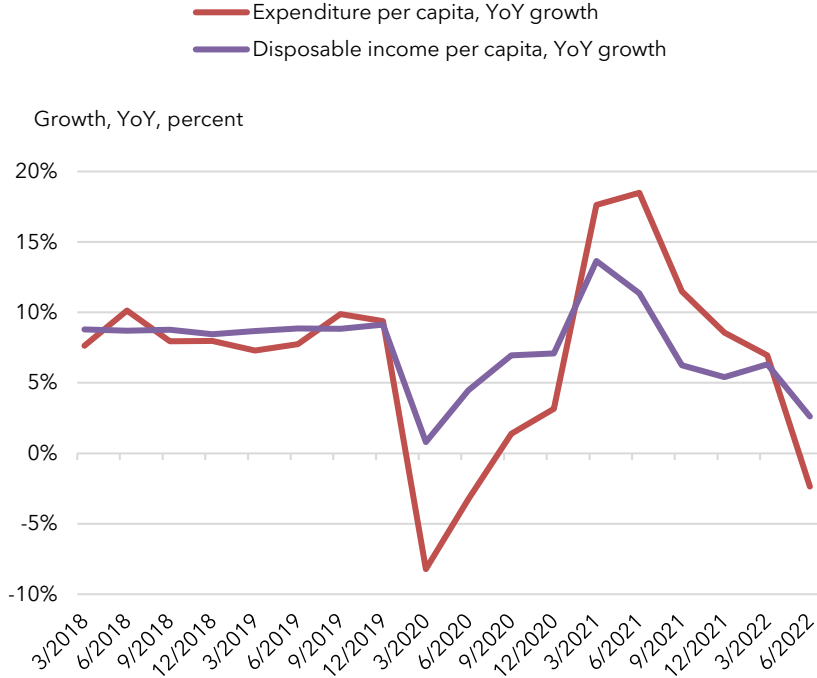
Consumption growth is expected to recover slowly

Retail sales rebounded in June, but consumer confidence remains weak...



Sources: NBS, CEIC, The Conference Board

...which is not surprising given weak job prospects and slowing income growth



Sources: NBS, CEIC, The Conference Board



Q&A

