

Re-Emerging China

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Information, analysis, research and outreach

Topics Today

- China Then and Now: A Snapshot
- China Factors: Four Cs
- Canada – China Links: Trade and Beyond
- Conclusion: Win-Win Game

China then and now: A Glance

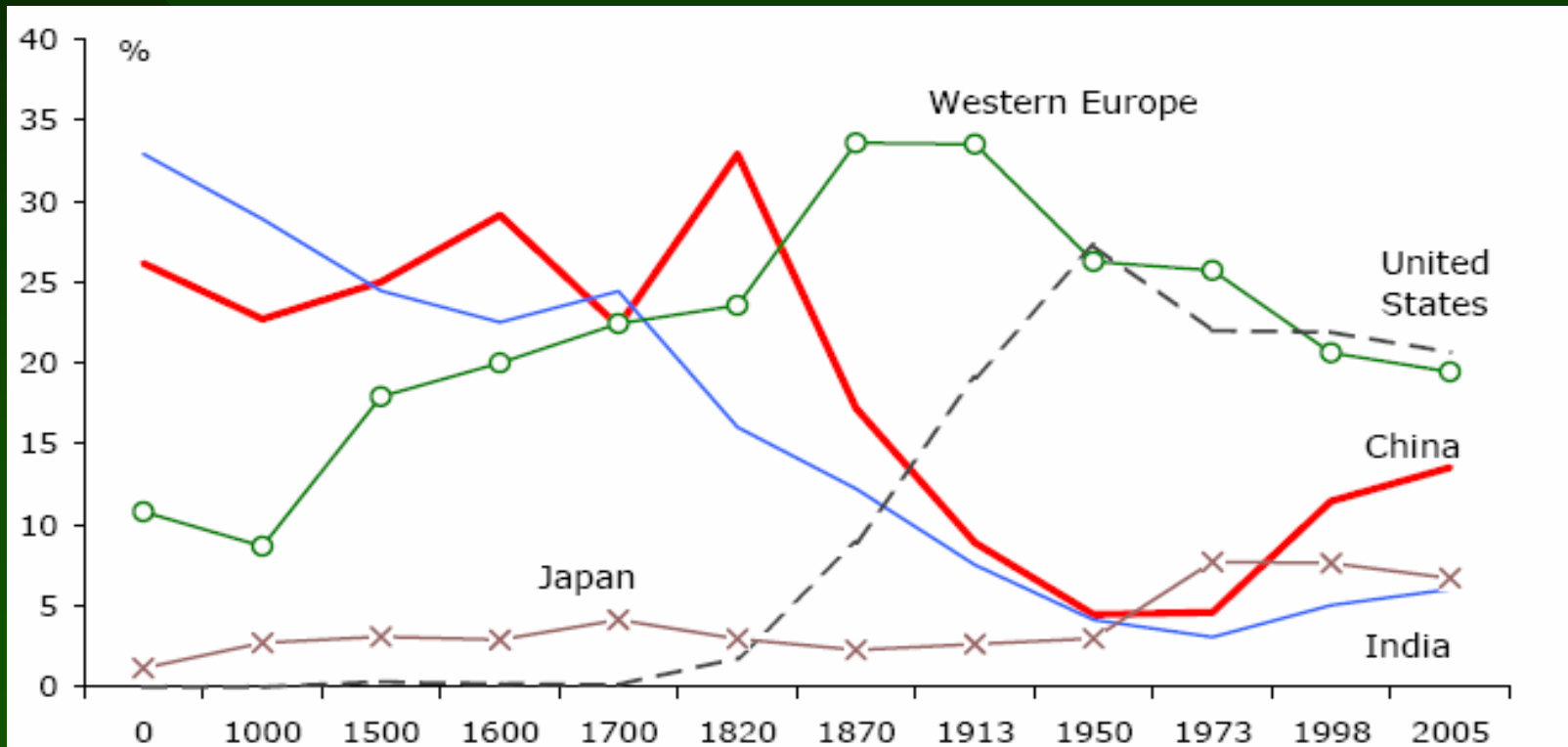


China at a Glance (cont'd)

- Population: 1.3 billion
- Ethnic Groups: 56; Han (93%)
- Language: primarily Mandarin
- Currency: Renminbi or Yuan (CNY)
- GDP (PPP): US\$7 trillion (2007e)
- GDP Real Growth: 11.4% (2007e)
- GDP per capita (PPP): US\$5,300 (2007e)

China then and now: A re-emerging economy

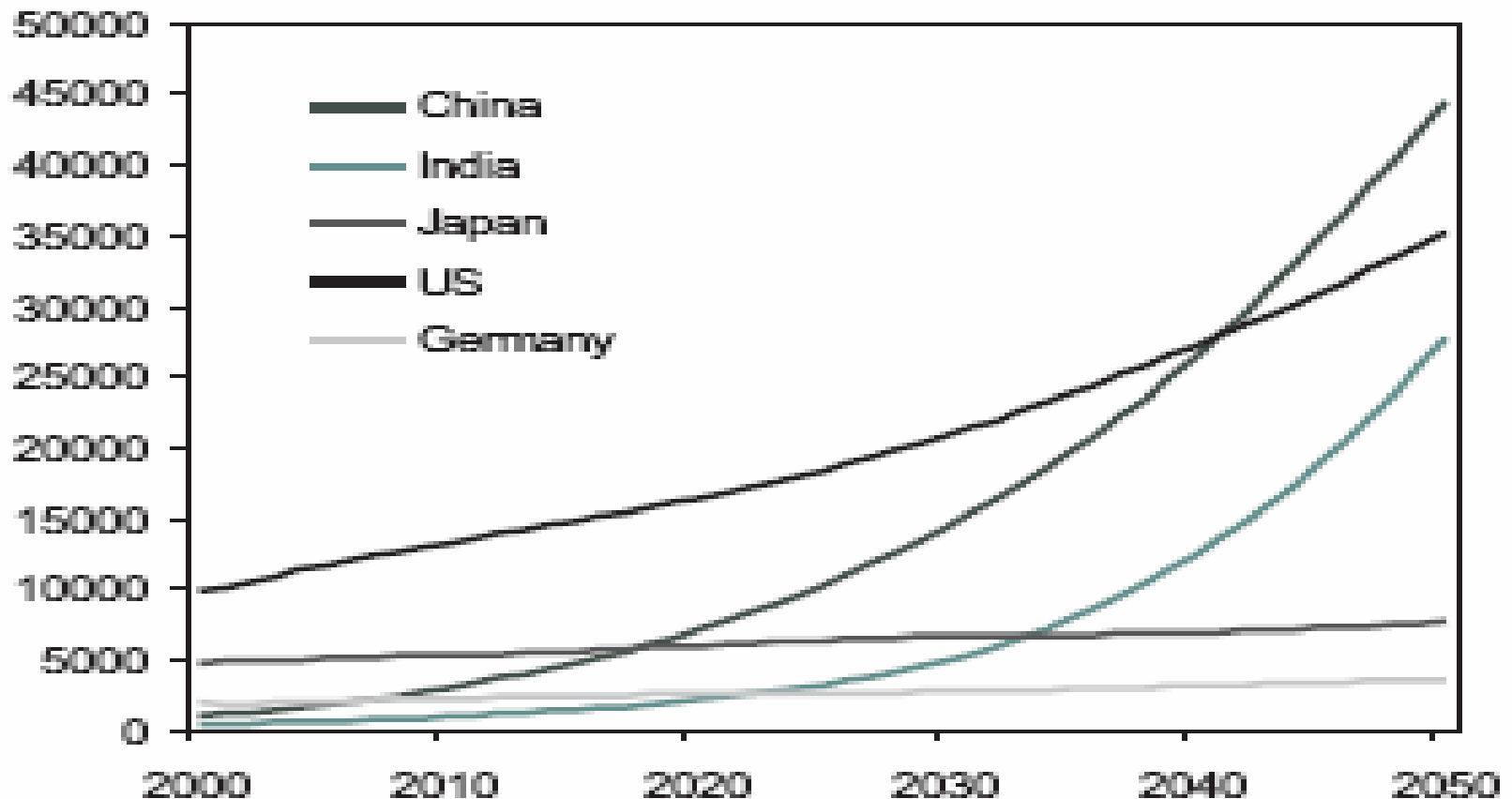
Major economies' share of global GDP, 0 - 2005



Sources: Angus Maddison, *The World Economy: A Millennial Perspective*, OECD Development Centre, 2001; IMF, *World Economic Outlook Database*, 2005.

China then and now (cont'd): It is catching up

GDP China Overtakes the G3; India Is Close Behind
(2003 US\$bn)





China then and now (cont'd): Its political economy

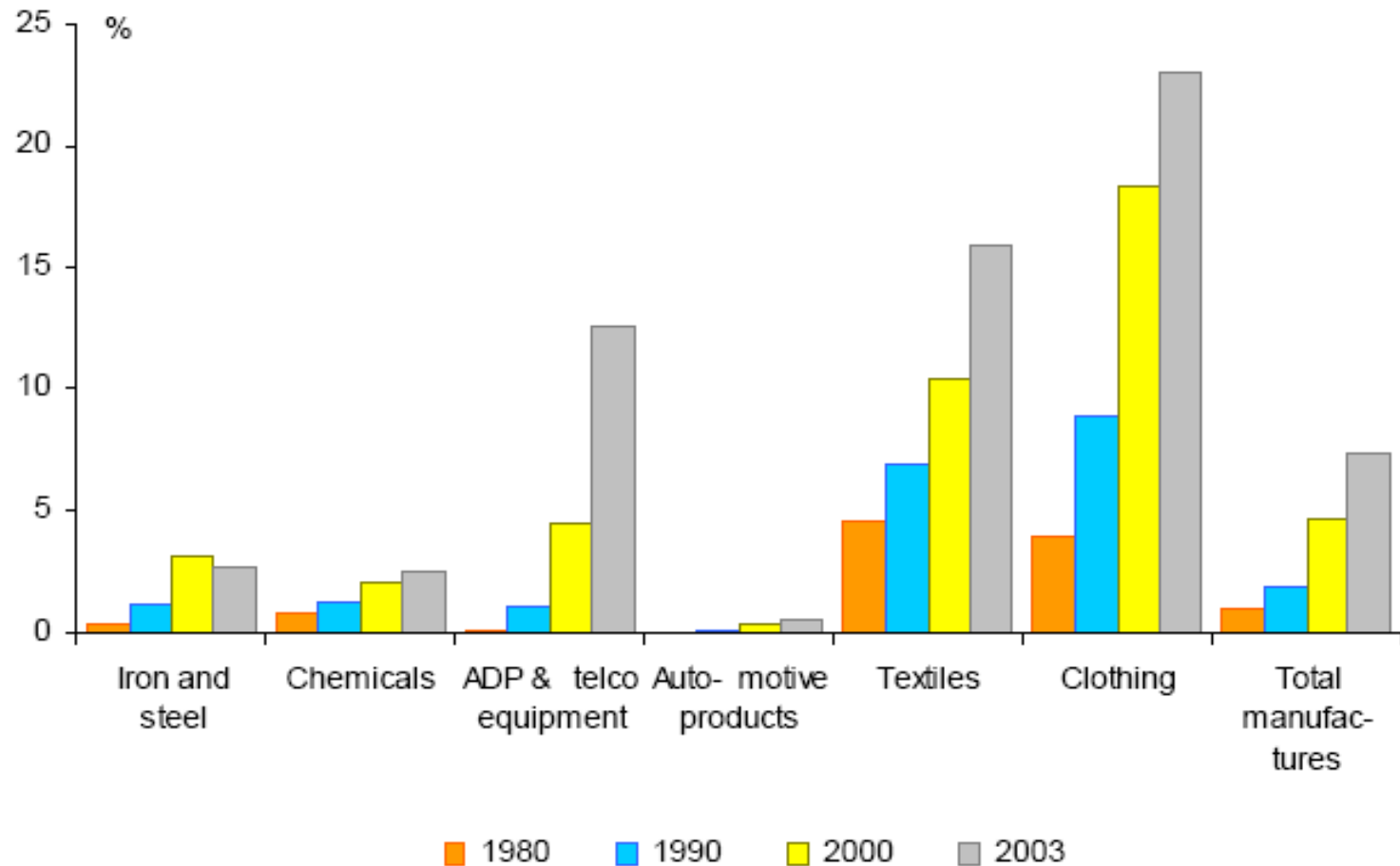
- 1 party system
- 2 constitutions
- 3 transformations
 - From a command economy to a market-based one;
 - From a rural, agricultural society to an urban, industrial one;
 - From a non-WTO member nation to a WTO member one
- 4 modernizations

China then and now (cont'd) – China has become:

- A significant G-3 trading partner
- A major destination of FDI
- An important driver of global growth
- A critical link in global production networks
- A significant force in world commodity market
- A glowing factor in world financial markets
- A price setter for lower value added products, and ... moving higher

Source: Goldman Sachs Asia, 2006

China's share of world exports of manufactures



Source: World Trade Organization, *World Trade Statistics 2004* (Geneva, August 2004).

China then and now (cont'd): A disparity nation



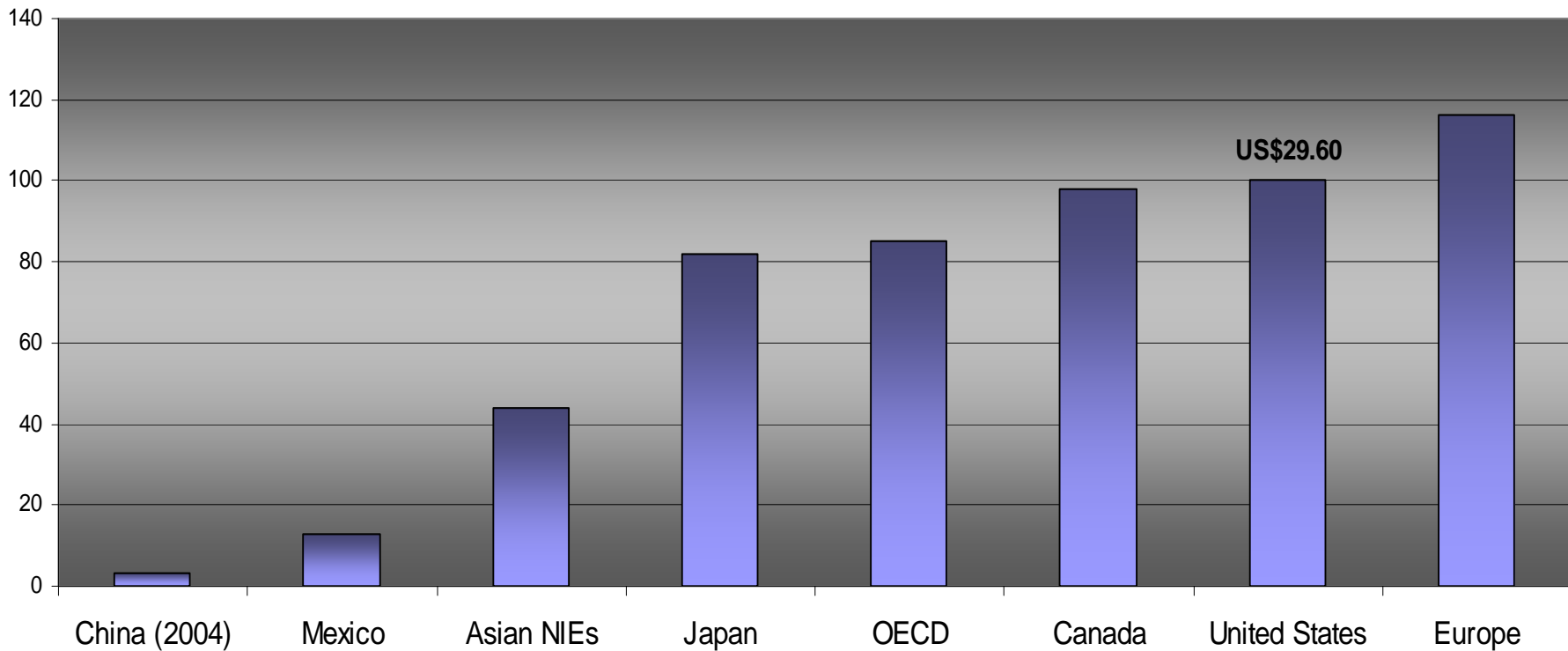
Source: The Economist, March 25-31, 2006

China Factors: 4 Cs

- Cost
- Global Supply Chain
- Customer
- Competitor

Cost: Labour

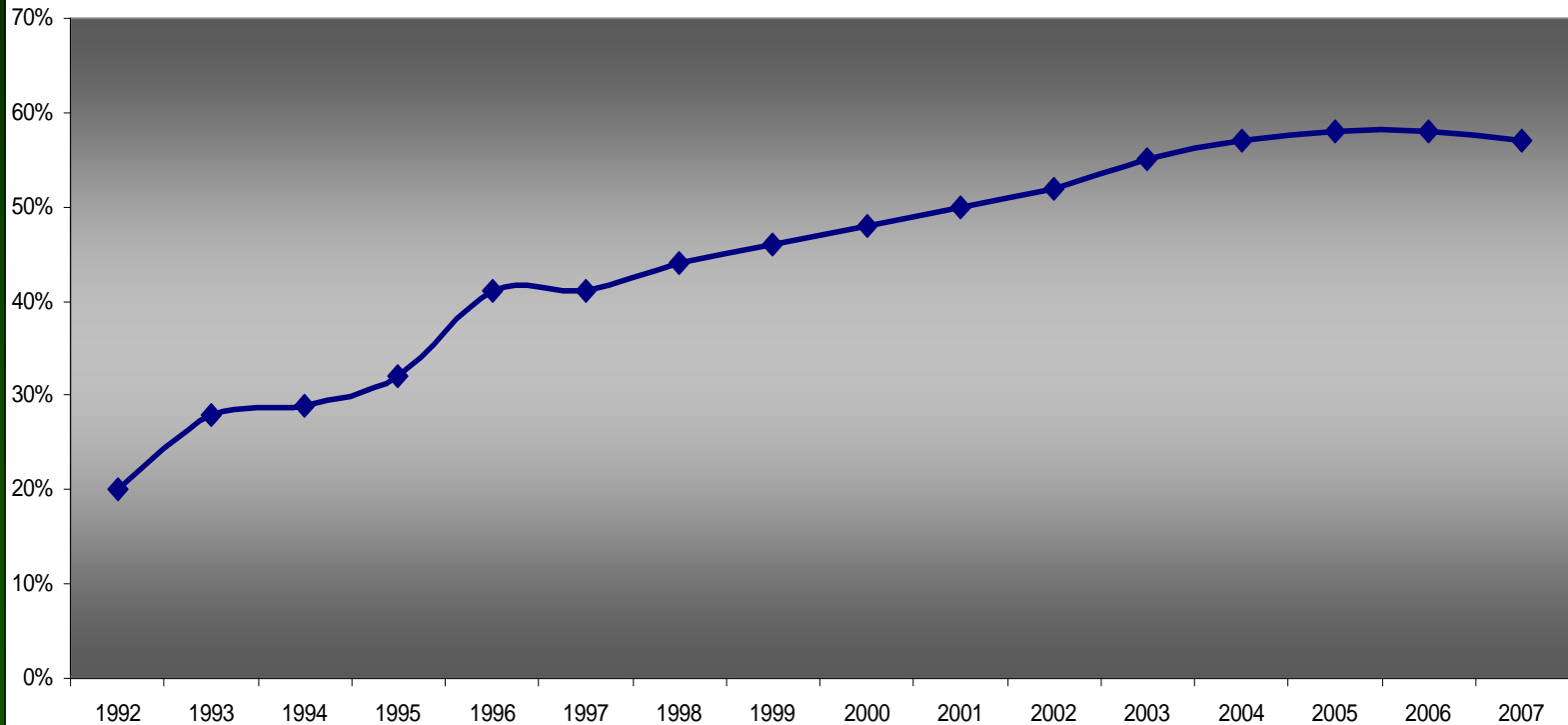
International Comparisons of Labour Costs: All Employees in Manufacturing 2006



Source: U.S. Department of Labour, Bureau of Labour Statistics, January 2008

Global Supply Chain

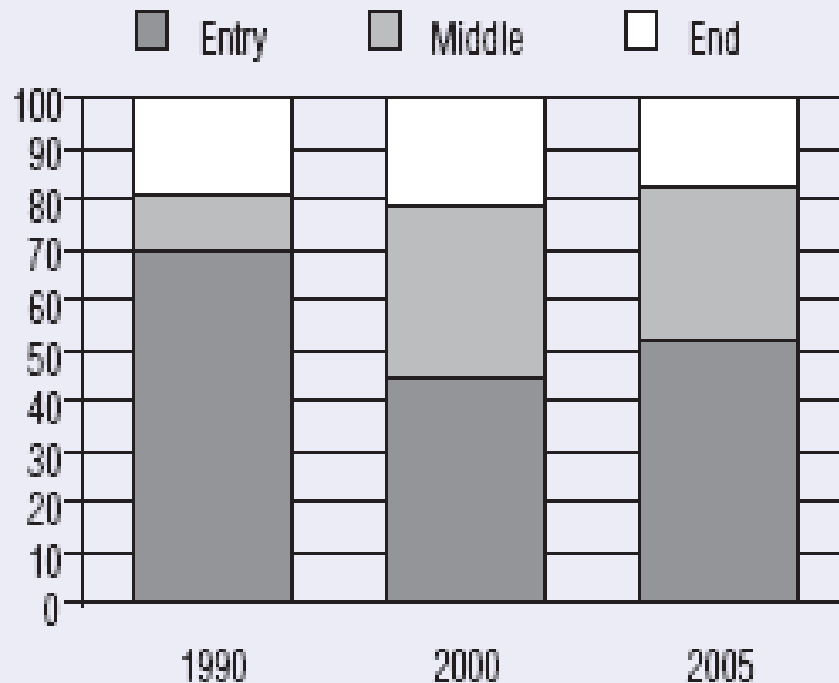
China's Exports by Foreign Invested Companies (%)



Source: China's Customs Statistics

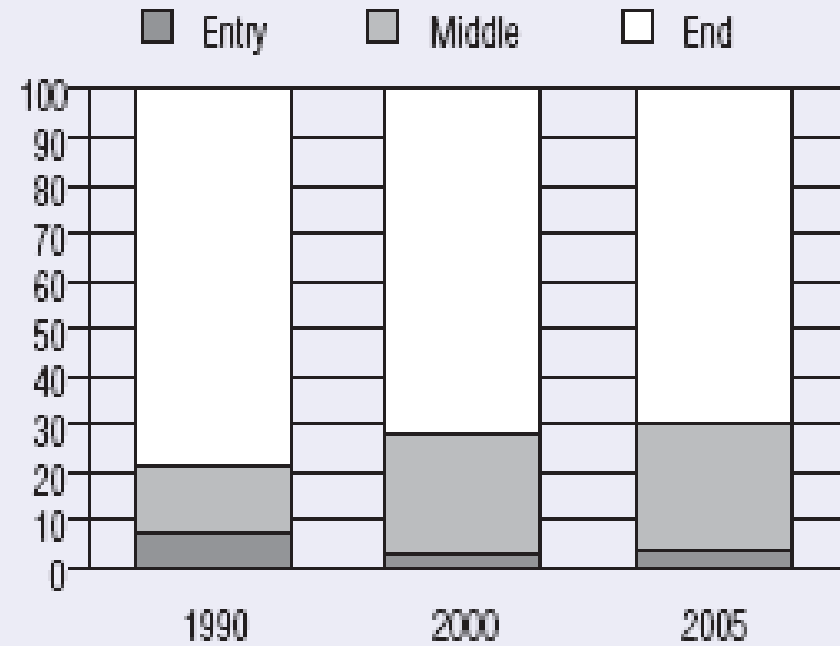
Global Supply Chain (cont'd)

Canada's Top 25 Exports to China by Buyer's Stage of Use (excluding price effects; per cent share)



Sources: The Conference Board of Canada; Statistics Canada; Industry Canada Trade Data Online.

Canada's Top 25 Imports From China by Buyer's Stage of Use (excluding price effects; per cent share)



Sources: The Conference Board of Canada; Statistics Canada; Industry Canada Trade Data Online.

Customers: An Emerging Middle Class

- 4% or 52 million
- Leader of fashion
- Car-crazy
- House owner
- Better health care and medical services
- Better education for their children
- Out-of-home entertainment
- Travel, etc.

Competitors

- EU
- US
- Japan
- Australia
- Chinese

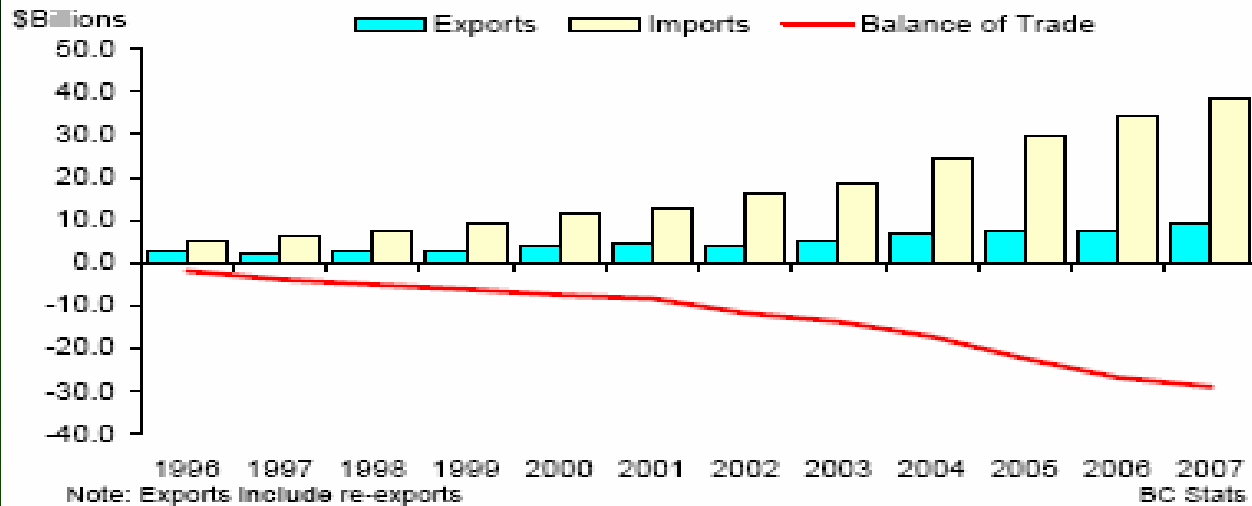
China's Major Trading Partners (2006, US\$B)

	Total Trade	Exports	Imports	Balance
Total	1760.7	969.1	791.6	177.5
US	262.7	203.5	59.2	144.3
Japan	207.4	91.6	115.7	-24.1
HK	166.2	155.4	10.8	144.6
S. Korea	134.3	44.5	89.8	-45.3
Taiwan	107.8	20.7	87.1	-66.4
Germany	78.2	40.3	37.9	2.4
Canada	23.2	15.5	7.7	7.8
Canada's Ranking	18th	12th	21st	5th
Canada's Share	1.3%	1.6%	1.0%	4.4%

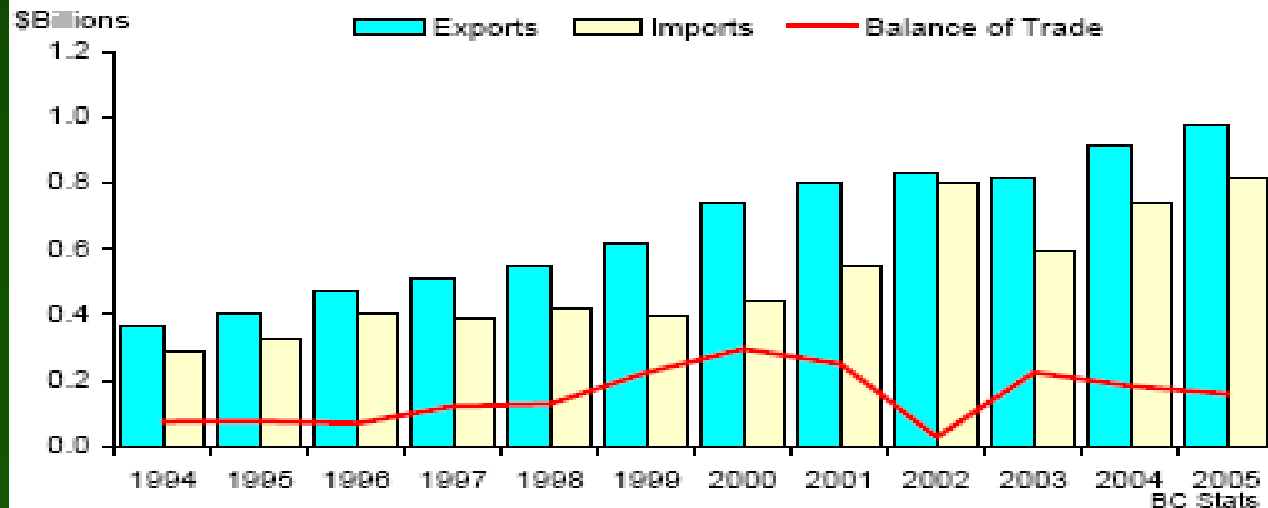
Source: MOFCOM, 2007

Canada-China Trade

Canada's Balance of Trade in Goods with Mainland China



Canada's Balance of Trade in Services with Mainland China



Trade by Province (Cont'd)

Provincial Distribution of Exports to Mainland China, 2007	Cdn \$Millions	Share of total
1. Alberta	\$2,798.2	31.8%
2. British Columbia	\$1,744.3	19.8%
3. Ontario	\$1,404.4	16.0%
4. Quebec	\$901.9	10.3%
5. Saskatchewan	\$859.9	9.8%
6. Manitoba	\$542.9	6.2%
7. Newfoundland & Labrador	\$359.3	4.1%
8. Nova Scotia	\$94.6	1.1%
9. New Brunswick	\$48.3	0.6%
10. Northwest Territories	\$31.3	0.4%
11. Prince Edward Island	\$2.9	0.0%
12. Nunavut	\$0.4	0.0%
13. Yukon	\$0.0	0.0%
Canada Total	\$8,788.5	100.0%

Beyond Trade:

- Two-way investment
- People-to-people relation:
 - Immigration
 - Tourist
 - Student
 - Canadian Diaspora

Two-Way Investments

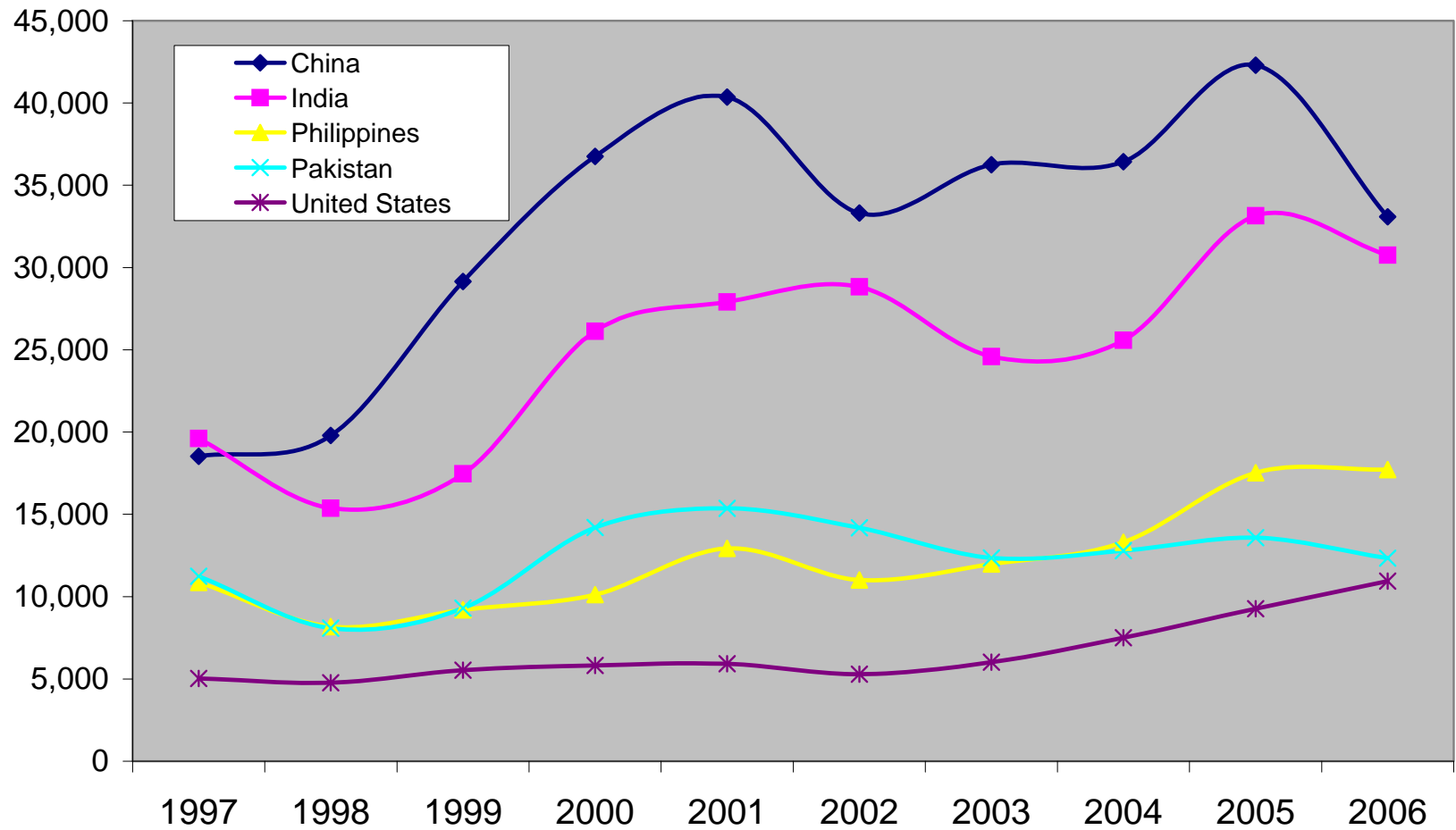
Canada's Investment Position with Mainland China (Cdn\$ Millions)

Year	Canadian Direct Investment in Mainland China	Direct Investment in Canada by Mainland China
1997	\$419	\$235
1998	\$446	\$226
1999	\$711	\$214
2000	\$565	\$192
2001	\$699	\$219
2002	\$721	\$196
2003	\$838	\$216
2004	\$1,034	\$114
2005	\$1,344	\$933
2006	\$1,563	\$1,297

Source: Statistics Canada

Immigration

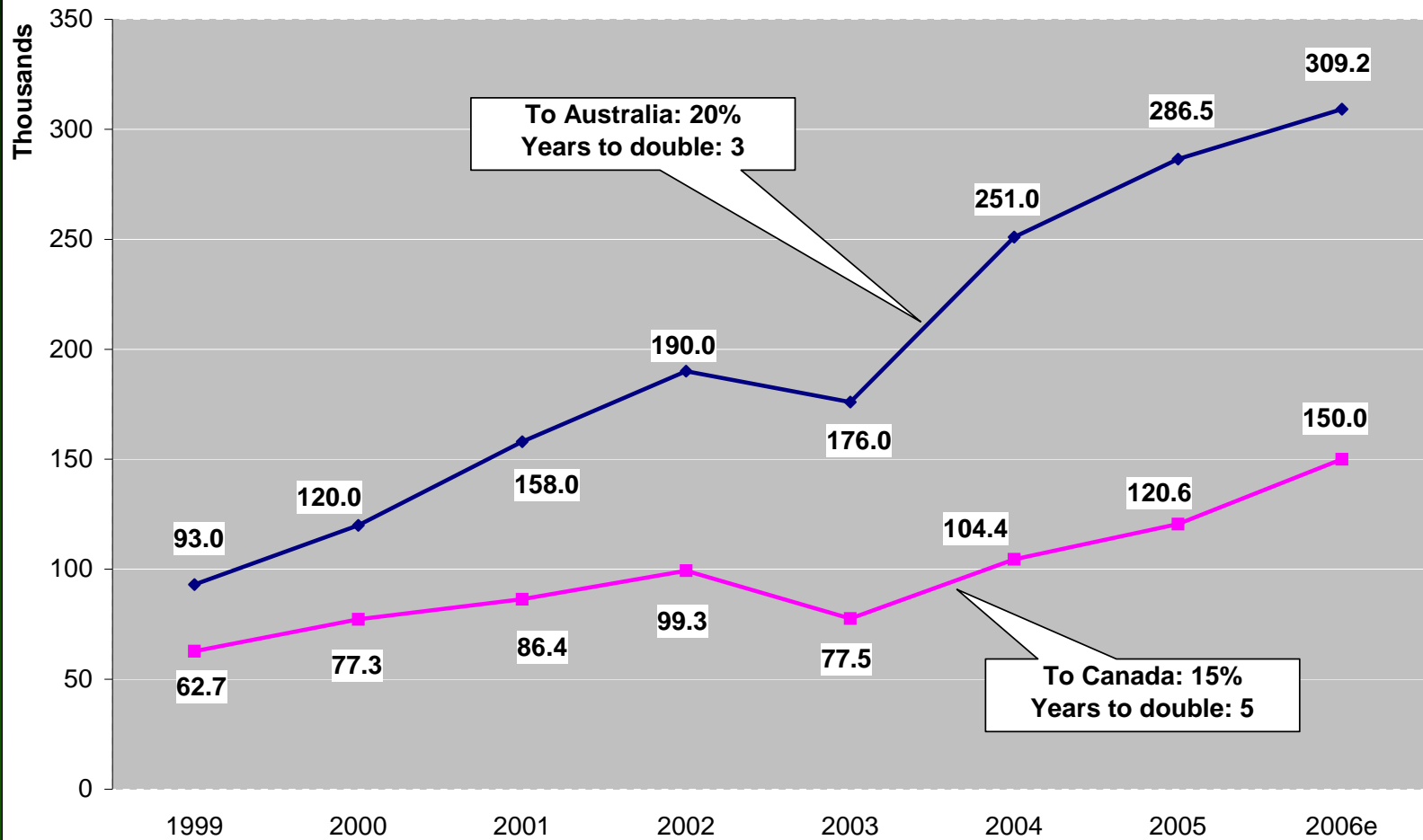
Top Source Countries of Immigrants to Canada



Source: CIC, Facts and Figures, 2006

Tourist

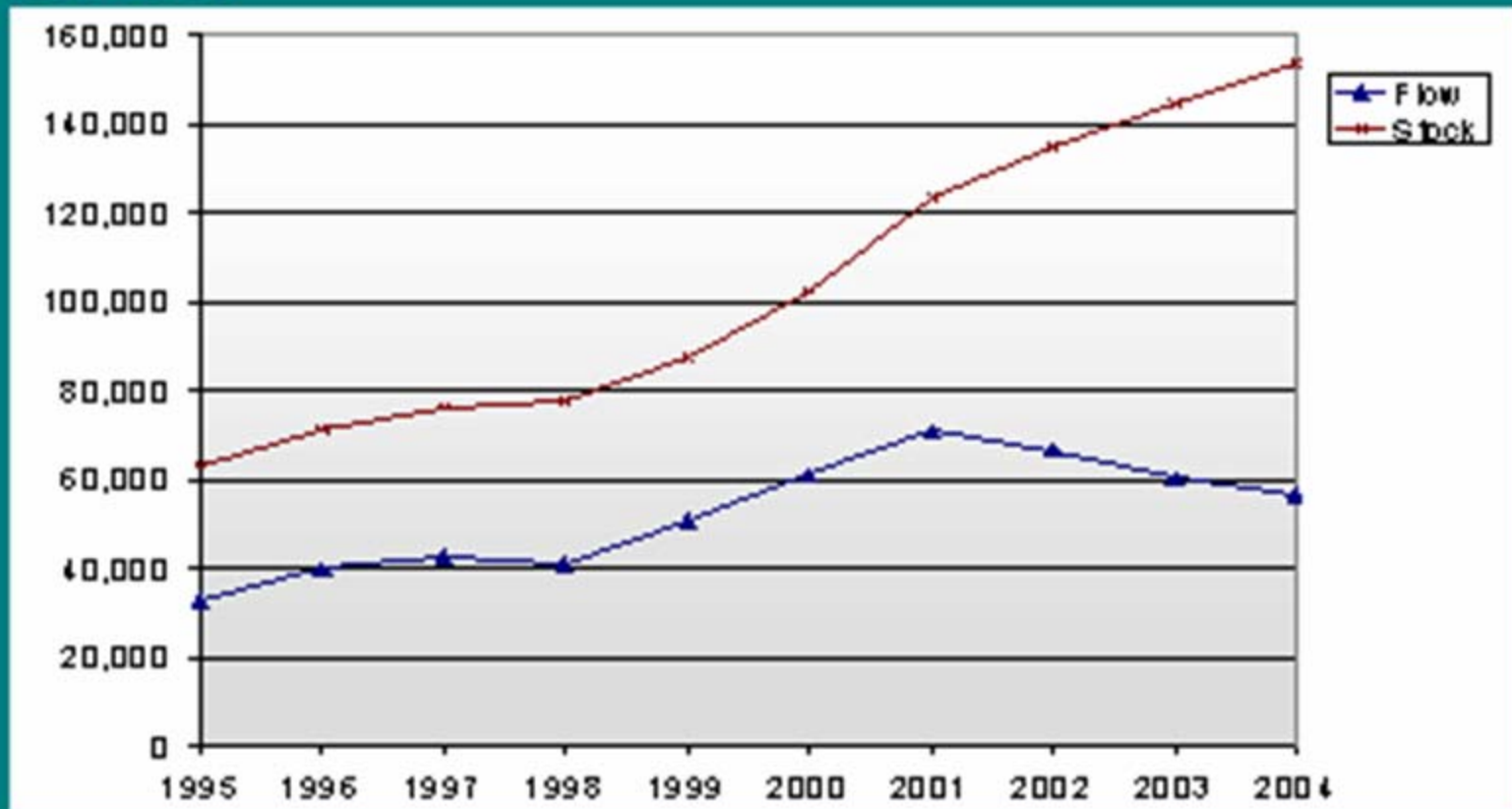
Chinese Visitors Arrival Growth: Canada vs. Australia



Source: Statistics Canada; Tourism Australia

Student

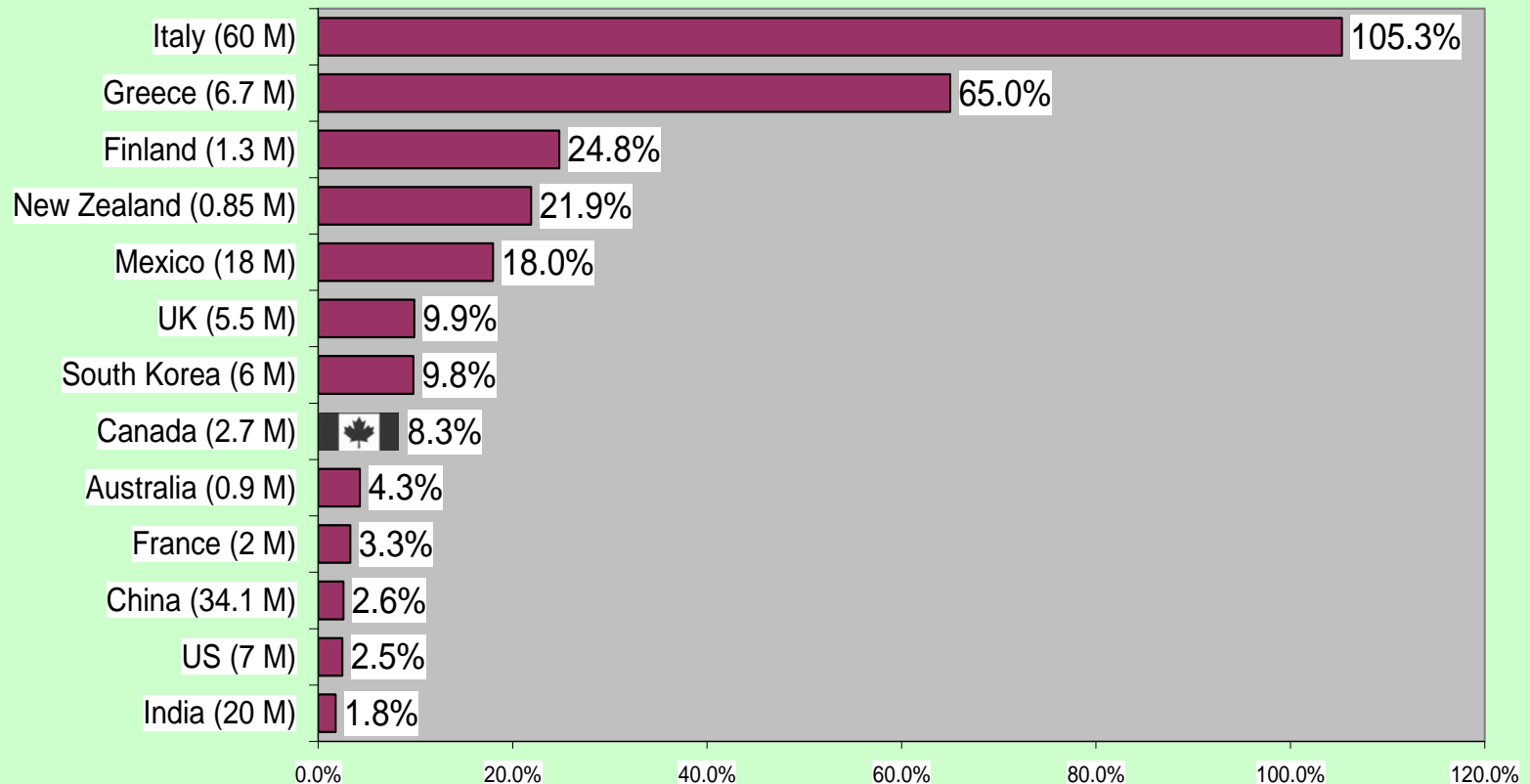
Figure 1: Foreign Student Population in Canada: Flows and Stocks, 1995–2004



Source: Client-Based Data System, Citizenship and Immigration Canada.

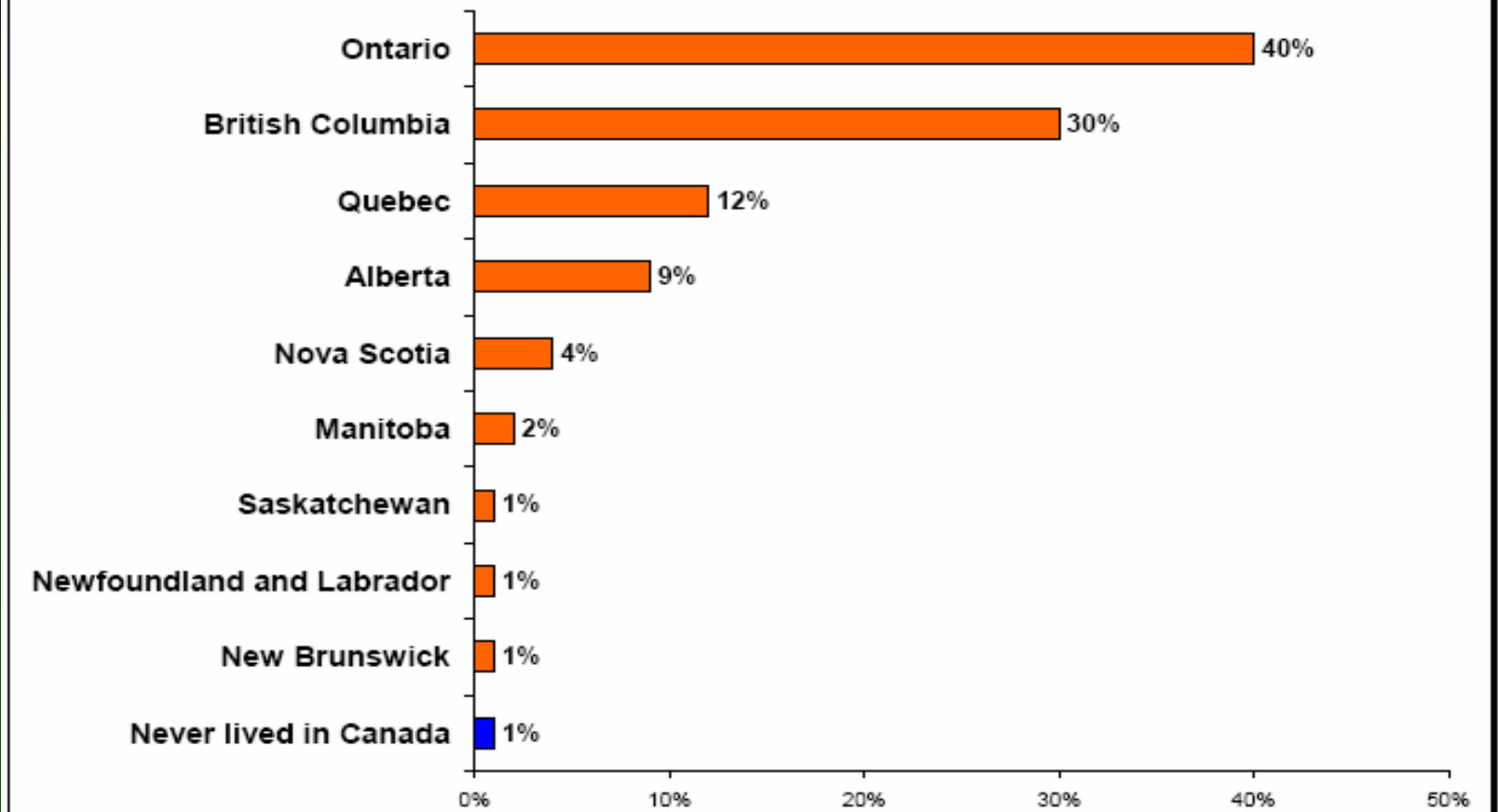
Canadian Diaspora

Figure 1: National Diasporas in Relation to Resident National Populations



Canadian Diaspora (cont'd)

Figure 25: Home Province Before Leaving Canada



Conclusion: Win-Win Game

- Complemented economies
- Various links and connections
- Opportunities and threats
- Be prepared, engaged and succeed



Thank You!

For more Information, Please Visit

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Or contact

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