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從《政府工作報告》看疫後中國經濟的政策重點和復甦前景

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今年《政府工作報告》因應疫情和中美經濟“脫鉤”風險上升帶來的嚴峻挑戰，未設具體GDP增長目標，政策重點既立足當前，從“保6”轉向“六保”，突出底線思維；又放眼長遠，配合“十四五”規劃綱要的制定，凸顯於變局中開新局的新意。預計隨著規模性政策加速落實，中國經濟今年將實現修復性復甦，全年GDP有望實現3%左右的正增長。

一、中國經濟面臨的主要挑戰

（一）新冠疫情對中國經濟的影響超過2008-09年的金融海嘯，未來中國仍面臨外防輸入、內防反彈的風險。目前，中國雖已控制住疫情，有序推進復工復產復市復業提速擴面，但從全球看，史上罕見“黑天鵝”的翅膀還沒完全展開，全球確診案例已超過700萬例，未來仍存在很大不確定性。中國要打贏疫情阻擊戰和經濟保衛戰，就必須統籌疫情防控和經濟社會發展，在矛盾中平衡、在探索中前行。

（二）後疫情時代中國外貿環境惡化。疫情導致世界經濟陷入大蕭條以來最嚴重的衰退，將削弱全球需求，拖累中國出口。疫情擴散及其封關、隔離等防疫措施，亦將嚴重干擾產業鏈、供應鏈穩定，影響中國對外貿易。

（三）中美經濟“脫鉤”風險上升。5月20日美國白宮發布《美國對華戰略報告》，直言將以全面施壓方式遏制中國發展。“脫鉤”本質上就是一種戰略遏制。但中美你中有我、我中有你，“硬脫鉤”並不現實，漸進式、有選擇性的“脫鉤”是可能的，比如聚焦科技戰，封殺華為，將更多中國高科技公司納入黑名單，重塑科技產業鏈、供應鏈。進而通過打香港牌，將科技戰擴展到貿易戰、金融戰等方面。中國要有準備、有作為。

二、推動經濟復甦的政策重點

今年《政府工作報告》部署對沖疫情影響和應對中美經濟“脫鉤”的策略，推出了以“六保”（保居民就業、保基本民生、保市場主體、保糧食能源安全、保產業鏈供應鏈穩定、保基層運轉）為工作著力點、穩住經濟基本盤的積極舉措。雖未設具體 GDP 增長目標，但仍設定了努力實現全面建成小康社會，城鎮新增就業 900 萬人以上，城鎮調查失業率 6% 左右，城鎮登記失業率 5.5% 左右，以及 CPI 在 3.5% 左右等經濟社會發展目標。

（一）積極的財政政策更加積極有為，以對沖疫情影響。一是縱向看，今年逆周期政策力度加大，在常規公共財政支出之外增加開支 11.01 萬億元（人民幣，下同）。其亮點表現在：赤字率擬按 3.6% 以上安排，首次突破 3% 的警戒線，財政赤字規模比去年增加 1 萬億元；同時發行 1 萬億元抗疫特別國債，特別國債過去發行過兩次，這是第三次。上述 2 萬億元全部轉給地方，主要用於補充市縣財政支出短缺，保基層運轉。今年地方專項債擬安排發行 3.75 萬億元，比去年增加 1.6 萬億元。財政支出結構將大力優化，基本民生支出只增不減，切實保障重點領域支出。二是橫向看，與許多發達經濟體實施直接“派錢”、赤字率超過 10%、財政赤字貨幣化的強刺激措施相比，中國財政政策仍相對謹慎。這既為未來應對嚴峻挑戰預留了較大的政策空間，也抑制了債務攀升。

（二）穩健的貨幣政策更加靈活適度，傳遞“寬信用、降利率”的政策導向，意在放水養魚，不搞大水漫灌。一是寬信用的政策重要性上升，將為市場主體提供較寬鬆的融資環境。2020 年《政府工作報告》要求，綜合運用降準降息、再貸款等手段，引導廣義貨幣供應量和社會融資規模增速明顯高於去年。要求創新直達實體經濟的貨幣政策工具，務必推動企業便利獲得貸款。防風險作為曾經的三大攻堅戰之首，位置後移，將在大力支持實體經濟發展的基礎上，防範化解重大金融風險。觀察下表可見，從趨勢上看今年 M2 增速達到 13%、社融規模存量增長 14%、社融增量突破 30 萬億元，不會意外。這也導致傳統經濟理論，譬如 M2 增速差不多等於 GDP 增速 + CPI 面臨挑戰，現實是錢多通脹不一定會來，CPI 並

項目	2015年	2016年	2017年	2018年	2019年	2020年4月
M2 同比增速	13.3%	11.3%	8.2%	8.1%	8.7%	11.1%
社融規模存量增長	12.4%	12.8%	12%	9.8%	10.7%	12%
社融增量萬億元	15.41	17.8	19.44	19.26	25.58	1-4 月 14.16

資料來源：人民銀行

不會大幅上漲。從社融的結構看，今年人民幣貸款增加較多，後期銀行可能面臨較大的不良率上升及不良資產處置壓力。二是貸款實際利率將降低。今年以來，央行已三次降準、定向降準，引導貸款市場報價利率（LPR）下降。2020年4月發布的1年期、5年期以上LPR分別降到3.85和4.65%，分別較2019年12月下降30個和15個基點。從目前的通脹情況看，貨幣政策仍有較大空間。預計年內降準減息仍可期，但降息幅度不會太大。降息將主要通過深化LPR改革，疏通貨幣政策傳導渠道，有序推進存量貸款基準轉換等方式來實現。三是2020年《政府工作報告》對保持人民幣匯率基本穩定的表述，與2019年沒有明顯差別，但位置前移，市場解讀今年人民幣匯率保持基本穩定比貶值更加重要。

（三）部署做好“六保”工作，重點在穩企業、保就業、保民生。後疫情時代，就業是最大的民生。“六保”與“六穩”唯一的交集就是“穩就業”。中小微企業吸納了80%的就業人口，保就業就必須穩企業。一是加大減稅降費力度，是今年穩企業的最大亮點。2019年全年減稅降費超過2.3萬億元，今年預計為企業新增減負超過2.5萬億元。堅決把減稅降費政策落實到企業，助力市場主體“活下去”，留得青山，贏得未來。二是強化金融對穩企業支持的針對性。受疫情衝擊，中小微企業的痛點在：經營現金流惡化、訂單大幅萎縮致收入銳減及剛性支出負擔加重。金融支持針對痛點：將中小微企業貸款延期還本付息政策延長至明年3月底；大幅拓展政府性融資擔保覆蓋面並明顯降低費率；支持企業擴大債券融資；要求大型商業銀行普惠型小微企業貸款增速要高於40%。近期銀保監會推出“513”措施，要求大型銀行全年製造業貸款餘額增速不低於5%，年末製造業中長期貸款佔比比年初提高1個百分點，信用貸款餘額增速不低於3%。政府除了通過穩企業來保就業、保民生之外，還加強對重點行業、重點群體的就業支持；在關注新就業形態、新工作模式發展的同時，促“地攤經濟”煥發生命力。

（四）部署擴大內需戰略，謀局“十四五”規劃。面向未來，中國將把滿足國內需求作為發展的出發點和落腳點，加快構建完整的內需體系，把超大規模市場潛力轉化為生產力。一是擴大有效投資，引導資金流向“兩新一重”。一新是“新基建”將進入加速期。包括發展新一代資訊網絡，拓展5G應用，建設充電樁推廣新能源汽車等。二新是新型城鎮化。發揮中心城市和城市群綜合帶動作用，培育產業。為防止資金炒房推升房價，堅持房子是用來住的、不是用來炒的定位。一重是加強交通、水利等重大工程建設。增加國家鐵路建設資本金1,000億元。“兩新一重”建設，既能促消費、惠民生，又可調結構、增後勁。二是推動消費回升。近年來中國經濟結構發生了很大變化，消費起主要拉動作用。早先國家統計局測算，受疫情影響至少1.5萬億消費被壓抑，將通過一系列措施激活，包括推動線上線下融合，恢復餐飲、文娛活動，支持電商、快遞進農村，拓展農村消費。三是大力推進科技創新，加快推進數字經濟、智能製造、生命健康、新材料

等戰略性產業，加強公共衛生體系建設，助推“中國標準 2035”戰略。四是加快落實區域發展戰略。我們在關注粵港澳大灣區建設之外，也需要重視西部大開發，因為 5 月 17 日中央公布“中共中央國務院關於新時代推進西部大開發形成新格局的指導意見”，為新時代西部“再”開發，明確了新定位。

（五）通過深化改革開放激發內生發展動力，提升應對中美“脫鉤”的能力。一是依靠改革激發市場主體活力，增強發展新動能。將以供給側改革為主線，推進要素市場化配置改革，以近期推出的“金融委 11 條”為抓手，推動金融供給側結構性改革進一步深化，提升金融服務實體經濟的質量。深化“放管服”改革，以公正監管維護公平競爭，持續打造市場化、法治化、國際化營商環境。配合“十四五”規劃，落實 5 月 11 日中央發布“中共中央國務院關於新時代加快完善社會主義市場經濟體制的意見”。二是通過東西雙向開放協同並進，推動全國形成高水平對外開放新格局。其新突出表現在：賦予自貿試驗區更大改革開放自主權，加快海南自由貿易港建設，在中西部地區增設自貿試驗區、綜合保稅區；大幅縮減外資準入負面清單，出台跨境服務貿易負面清單。

（六）落實脫貧攻堅和鄉村振興舉措，做好新時代“三農”工作。堅決打贏脫貧攻堅戰，推進脫貧攻堅與鄉村振興有效銜接。著力抓好農業生產，保障重要農產品供給，保糧食安全。長遠來看，鄉村也是一個大市場。

三、中國經濟復甦的前景

中國經濟韌性強，疫情並沒有改變中國經濟穩中向好的趨勢。隨著從中央到地方積極強化、細化《政府工作報告》中規模性政策的落實，政策優勢將轉化為發展優勢，中國經濟復甦前景將審慎樂觀。總體看，將呈 V 型修復性復甦形態。

（一）2020 年中國做好“六保”，經濟就能穩住基本盤，全年有較大機會實現 3% 左右的正增長。

一是市場對《政府工作報告》中推出的規模性政策推動經濟復甦有信心。海外一些機構從 2020 年中國在常規公共財政支出之外增加支出 11.01 萬億元，較 2019 年增 3.8 萬億元，測算全年 GDP 增長約 2%。而中央政府則更為樂觀一些。從財政赤字規模為 3.76 萬億，赤字率擬安排 3.6% 以上來推算，以及根據 2019 年 GDP 增長 1 個百分點帶來的新增就業為 221.64 萬人，2020 年實現新增 900 萬人就業來測算，今年《政府工作報告》隱含的 GDP 增速為 4% 左右。

二是新冠疫情雖重挫中國經濟，但也帶來不少發展機遇。譬如催生網絡購

物、非接觸配送等新業態、新模式加快發展；疫情應對中暴露出的公共衛生、應急體系等短板弱項需要加快補齊。這既對沖了部分疫情帶來的負面影響，也為經濟高質量發展開拓了新空間。

三是投資逐步恢復，今年1-4月固定資產投資同比增速已較1-2月反彈14.2個百分點。引導投資流向“兩新一重”領域，有助於新經濟、新動能保持較快發展。“十四五”規劃綱要雖仍處於建議階段，但許多預計中的投資項目已提前啟動。預計今年投資將在經濟修復中發揮關鍵作用。

四是報復性消費雖暫時未見，但修復性消費已經出現。消費券將刺激餐飲、零售修復。汽車、文娛消費將大反彈，消費將逐漸趨向正常。2019年最終消費支出對國內生產總值增長的貢獻率為57.8%，拉動經濟增長3.5個百分點，今年消費仍將是拉動經濟增長的主要動力。

五是穩外資、穩外貿正在發力。目前外企加速或者大規模外遷並沒有出現。豐田等日資企業表示不搬遷。三星加大對西安半導體廠的投入。4月中國實際使用外資703.6億元，同比增11.8%，反映中國仍是外資投資的理想選擇地。中韓加速建設商務快捷通道，未來可望在經濟大循環中建設中日韓小循環。

六是隨著政策優勢發力，中國經濟下半年將修復到基本面水平。過往多年中國經濟運行通常有下半年經濟總量佔全年55%、上半年佔45%的特徵。如此，將有力支持今年全年GDP實現3%左右的正增長。

（二）2021年中國經濟有望達到8%左右的高速增長，“十四五”期間中國經濟增速將回到5%-6%的合理增長區間。預計2021年，中國經濟活動因疫情受到的壓抑，會全部釋放出來。擴大內需戰略發力，2021年中國消費規模有望達到48萬億元，成為全球第一大市場。加上經濟基數較低，故2021年GDP增長有望達到8%。展望“十四五”期間，中國有條件對沖“逆全球化”帶來的衝擊，中國經濟將按照“十四五”規劃綱要的總體思路布局落實，堅持新發展理念，鞏固並推進高質量發展勢頭，將逐步形成以國內大循環為主體、國內國際雙循環相互促進的新發展格局，產生更多的增長點和增長極，支持中國經濟運行保持在合理區間。

Evaluating Policy Focus and Recovery Prospects for China's Economy after the Epidemic from the Government Work Report

Liu Hong, Senior Economist

In response to the severe challenges arising from the epidemic and the escalating risk of China-US “decoupling”, no specific GDP growth target has been set in the latest Government Work Report. On one hand, the policies focus on the current situation emphasizes bottom-line thinking, switching the priority from ensuring 6% of economic growth to ensuring security in six areas. On the other hand, it pays attention to long-term planning and complement the formulation of Outline of the 14th Five-Year Plan, reflecting the new idea of starting a new chapter amid changing situation. It is expected that with the accelerated implementation of large-scale supporting measures, China's economy is likely to achieve a restorative recovery and a positive growth of about 3% this year.

I. Major challenges for China's economy

1. The impacts of coronavirus epidemic on China's economy have exceeded the global financial crisis of 2008-09. In the future, China will face the risks of imported infection and rebound of domestic infection. At present, China has controlled the epidemic and orderly promoted the resumption of production and businesses. However, from a global perspective, the rare “black swan” event in history has yet to reach the turning point. There have been more than 7 million confirmed cases around the world with great uncertainties ahead. In order to contain the virus and support the economy, China has to coordinate the prevention and control of virus, as well as move forward with economic and social development.

2. China's external trade environment has deteriorated in the post-epidemic era. The epidemic has caused the world economy to fall into the most severe recession since the Great Depression, which would weaken global demand and drag on Chinese exports. The spread of virus and related containment measures, such as lockdown, quarantine, etc., would seriously interfere the stability of industrial and supply chains, affecting China's external trade.

3. The risk of “decoupling” between China and the US is rising. The White House released the report of “US Strategic Approach to the People's Republic of China” on May 20, stating that it will contain China's development through imposing comprehensive pressure. In fact, “decoupling” is a kind of strategic containment. Nevertheless, China and the US are complementary to each other. While “hard decoupling” is unrealistic, “decoupling” in a progressive and selective manner is possible. For example, the US may add sanction on Huawei, include more Chinese high-tech enterprises on the Entity List, and reshape the technology industrial and supply chains, etc. Subsequently, the US could extend the battlefield against China from technology to other areas, such as trade and finance etc., through raising issues of Hong Kong. Therefore, China needs to

prepare and be capable for the situation ahead.

II. Policy focus to promote economic recovery

The latest Government Work Report deployed the strategy to hedge the impacts of epidemic and cope with the “decoupling” between China and the US, and introduced measures on ensuring security in six areas (namely jobs, basic livelihood, market entities, food and energy security, industrial and supply chains, and the normal functioning of lower levels of government), which are proactive measures to stabilize economic fundamentals. Although no specific GDP growth target has been set, the report mentioned that efforts have been made to build a moderately prosperous society in all respects with other economic and social development targets, such as creating more than 9 million jobs in urban areas, achieving a surveyed urban unemployment rate of around 6% and a registered urban unemployment rate of around 5.5%, targeting CPI by around 3.5%, etc.

1. A more proactive fiscal policy needs to be implemented in order to hedge the impact of the epidemic. First, counter-cyclical policy has intensified this year compared with the past, with an increase of RMB 11.01 trillion non-recurring expenditures. The highlights are as follow: The deficit-to-GDP ratio this year is projected at over 3.6%, breaking the 3% threshold for the first time, and fiscal deficit will increase by RMB 1 trillion from the previous year. Meanwhile, there will be issuance of RMB 1 trillion government bonds for controlling the virus. Special government bonds have been issued twice in the past, and the issuance this year will be the third time. The aforementioned RMB 2 trillion will be transferred to local governments, mainly used to supplement the fiscal deficit of prefecture and county governments, and to ensure the normal function of lower levels of government. The quota of the special local government bonds this year will reach RMB 3.75 trillion, up RMB 1.6 trillion from last year. The fiscal expenditure structure will be substantially optimized with increasing expenditure on people’s livelihood, so as to safeguard expenditures in key areas. Second, China’s fiscal policy is still relatively cautious, given that many advanced economies introduced strong stimulus measures with direct cash handouts that led to fiscal deficit rates of over 10% and monetization of fiscal deficits. This not only reserves more policy space for the future to cope with severe challenges, but also constrains the rise of debts.

2. Prudent monetary policy needs to be more flexible and adequate, reflecting policy guidance of “easing credit and cutting interest rates”. The policy aim is to provide liquidity support to those in needs, but not injecting massive liquidity into the market. First, the rising importance of easing credit policy will provide a more accommodative financing environment for market entities. The latest Government Work Report called for using a variety of tools such as required reserve ratio (RRR) reductions, interest rate cuts, and re-lending, etc., in order to facilitate a higher growth of M2 money supply and total social financing (TSF) than that of last year. The report also mentioned the development of new monetary policy instruments that could directly stimulate the real economy and help enterprises to secure loans more easily. The priority of preventing financial risks, once at the top place among three major policy missions, has declined, and will prevent and resolve major financial risks on the basis of supporting the real economy. Judging from the table below, it will be not surprising if the growth rates of M2 and TSF will reach 13% and 14% respectively, and the increment of TSF exceeds RMB 30 trillion this year. In view of this, traditional

economic theory, such as the growth of M2 is almost equivalent to the growth of GDP + CPI, will be challenged. In reality, abundant liquidity may not trigger inflation, and make CPI rise substantially.

Items	2015	2016	2017	2018	2019	Apr 2020
YoY growth of M2	13.3%	11.3%	8.2%	8.1%	8.7%	11.1%
Growth of TSF	12.4%	12.8%	12%	9.8%	10.7%	12%
Increment of TSF (in RMB trillion)	15.41	17.8	19.44	19.26	25.58	Jan-Apr 14.16

Source: People's Bank of China

In terms of the structure of TSF, RMB loans have increased significantly this year. Banks may have higher pressure on rising NPL ratio and disposing non-performing assets in the later period. Second, real loan rates will be reduced. The central bank has cut the RRR three times, implemented targeted RRR cuts, and guided the decline of Loan Prime Rate since this year. In April 2020, the one-year and five-year LPRs dropped to 3.85% and 4.65%, respectively, a decrease of 30 and 15 bps from December 2019. Judging from the current inflation condition, there is room for easing monetary policy further. It is expected that RRR or interest rate cuts are likely within this year, but the magnitude will not be too large. Interest rate cuts will mainly be achieved by deepening LPR reform, improving monetary policy transmission channels, and orderly promoting the convention of benchmark rates for existing loans, etc. Third, the latest Government Work Report mentioned maintaining the RMB exchange rate largely stable. The statement was not significantly different from that in 2019, but its position has been moved forward. Therefore, market participants interpret that policy priority on the RMB's exchange rate will be stability over depreciation.

3. Deploying tasks on ensuring security in six areas with focuses on stabilizing enterprises, jobs, and livelihood. In the post-epidemic era, employment is the biggest livelihood. “Stabilizing jobs” is the only overlap between ensuring “security” and “stability” in six areas. Given micro, small, and medium enterprises (MSMEs) absorb 80% of the aggregate employment population, it is necessary to stabilize enterprises in order to ensure employment. First, tax cuts and fee reductions would be enhanced this year, making it the bright spot for stabilizing enterprises. Tax cuts and fee reductions exceeded RMB 2.3 trillion for 2019, and it is expected that there will be additional savings of more than RMB 2.5 trillion for enterprises this year. Tax and fee reduction policies must be fully implemented for enterprises, so that they can sustain their businesses and assure success for the future. Second, more targeted policies will be implemented in order to strengthen the role of financial support on stabilizing enterprises. The epidemic takes the toll on MSMEs and their difficult problems are: the deterioration of operating cash flow, revenue slump due to the sharp contraction of orders, and increasing burden of rigid expenditure. The financial support aims to solve those problems. The policy of allowing MSMEs to postpone principal and interest repayments on loans will be further extended till the end of March next year. In addition, the coverage of government financing guarantees will be greatly expanded and the fees will be reduced significantly. The government also supports enterprises to expand bond financing, and calls for increasing inclusive finance lending from large commercial banks to micro and small enterprises by more than 40%.

Recently, the China Banking and Insurance Regulatory Commission introduced the “513” measures, which require large-scale banks to increase outstanding manufacturing loans by no less than 5% annually, the proportion of medium-and-long term manufacturing loans at year-end to increase by 1 percentage point from the beginning of the year, and the overall loan outstanding to increase by no less than 3%. Apart from ensuring security in jobs and livelihood via stabilizing enterprises, the government also strengthens employment support for key industries and groups. While paying attention to the development of new forms of employment and work models, the government also promotes “stall economy”.

4. Deploying strategies to expand domestic demand and outline the 14th Five-Year Plan.

Satisfying domestic demand will be the starting point and foothold for the development in the future. As such, the construction of a complete domestic demand system has to be established at a faster pace, transforming sizable market potential into productivity. The first measure is to expand effective investment and guide the funds to new infrastructure, new urbanization, and major projects. Investments in new infrastructure, including next-generation information networks, expanding 5G applications, building battery charging and swapping facilities, and promoting wider use of new-energy automobiles, etc., will enter an accelerated period. New urbanization will leverage the role of leading cities and city clusters in driving the overall development of their surrounding areas, and foster new industries. In order to prevent the funds for speculation and push up property price accordingly, the government insists that property is a place to live and not for speculation. The government will step up efforts to develop major transportation and water conservancy projects, and increase national railway development capital by RMB 100 billion. These investments can not only promote consumption and benefit people’s livelihood, but also adjust economic structure and drive economic growth. The second measure is to promote the recovery of consumption. In recent years, China’s economic structure has changed considerably and consumption has been a major driver for economic growth. The National Bureau of Statistics estimated that at least RMB 1.5 trillion worth of suppressed consumption due to the coronavirus outbreak could be stimulated through a series of measures, including to promote the integration of online and offline consumption, restoring catering and entertainment activities, expanding rural consumption by supporting e-commerce and express delivery services in rural areas. The third measure is to promote technology and innovation. The government initiates to accelerate the promotion of strategic industries such as digital economy, smart manufacturing, healthcare, new material, etc., and enhance the development of public health system, so as to facilitate the “China Standards 2035” strategy. The fourth measure is to speed up the implementation of regional development strategies. Apart from the development of the Guangdong-Hong Kong-Macao Greater Bay Area, we need to pay attention to the development in the western region. On May 17th, the State Council released the guiding opinions on promoting the development in the western region on the new era, clarifying the new position of “re-development” in the western region.

5. Stimulating endogenous development through deepening reform and opening up, in order to enhance the ability to cope with China-US “decoupling”. The first measure is to rely on reforms for stimulating the vitality of market entities, and enhance new momentum for development. The supply-side reform will be the main axle to promote the reform of market-based allocation of factors. Taking the 11 measures recently announced by the Office of the Financial Stability and Development Committee as the starting point, the financial supply-side structural reform will be

further deepened to improve the quality of financial services in the real economy. The reform of decentralization, regulation and optimizing services will deepen in order to maintain fair competition by law, and create a market-oriented, rule-of-law, and international business environment. In accordance with the 14th Five-Year Plan, the CPC Central Committee and the State Council jointly released “Opinions on Speeding Up the Improvement of the Socialist Market Economic System in the New Era” On May 11th. The second measure is to promote a new pattern of high-level nationwide opening up via mutual opening up and co-ordination between the eastern and western regions. The bright spots are: allowing greater freedom of reform and opening up in the Pilot Free Trade Zone, accelerating the development of Hainan Free Trade Port, establishing new Free Trade Zones and Comprehensive Bonded Zones in the central and western regions, significantly reducing the negative list of foreign investment access, and introducing cross-border negative list of trade and services.

III. Recovery prospect of China’s economy

China’s economy is resilient, and the epidemic has not changed the trend of positive outlook amid stability. Following the implementation of large-scale supporting measures in the Government Work Report by the central and local governments, policy advantages will be transformed into development strengths, and the recovery prospect of China’s economy will be prudently optimistic. In general, China’s economy will be in the form of a mild V-shaped recovery.

1. Fundamentals of China’s economy could be stabilized if the work on ensuring security in six areas could be carried out properly in 2020, and China is likely to achieve a positive growth rate of about 3% for this year.

First, the market is confident that the large-scale supporting measures introduced in the Government Work Report could promote economic recovery. Given an increase of RMB 11.01 trillion other than recurrent expenditure in 2020, up RMB 3.8 trillion compared with 2019, some overseas institutions estimated that the growth rate of China’s GDP will be about 2% for this year. However, there are more optimistic views from some domestic institutions. Judging from the fiscal deficit of RMB 3.76 trillion with the deficit rate of more than 3.6%, combined with an increment of 2.2164 million payrolls with GDP growth of 1 percentage point in 2019, it is estimated that the GDP growth rate implied in the latest Government Work Report is about 4%.

Second, although the coronavirus has severely damaged China’s economy, it has also provided many development opportunities. New businesses and models, such as online shopping, non-contact distribution, etc., have developed at faster pace. Moreover, shortcomings of public health and emergency systems exposed during the epidemic need to be improved. It will not only partially offset the negative impacts arising from the epidemic, but also create new room for high-quality economic development.

Third, investments have gradually recovered. The growth rate of fixed assets investment for the first four months has rebounded by 14.2 percentage points, compared with that of the first two months. Guiding investments to new infrastructure, new urbanization and major projects will facilitate the new economic sectors and drivers to maintain rapid development. Although Outline of

the 14th Five-Year Plan is still formulating, many planned investment projects have already started in advance. Investments is likely to play a key role in economic recovery this year.

Fourth, although retaliatory consumption has yet to be seen, restorative consumption has already emerged. Consumption coupons will stimulate the recovery of catering and retail sectors. Spending on automobile and entertainment will significantly rebound, and the spending pattern will be gradually back to normal. In 2019, contribution rate of final consumption expenditure to GDP growth was 57.8%, driving economic growth by 3.5 percentage points. Consumption will continue to be the main driving force for economic growth this year.

Fifth, stabilization of foreign investment and foreign trade efforts are making strides. At present, there is no acceleration or large-scale relocation by foreign enterprises. Japanese enterprises such as Toyota mentioned that they would not relocate. Moreover, Samsung increased investment in its semiconductor factory in Xian. The actual use of foreign capital in April amounted to RMB 70.36 billion, up 11.8% year-on-year, showing that China is still an ideal choice for foreign investment. China and South Korea speed up the development of fast-track entry for business, and economic ties between China, Japan and South Korea are likely to strengthen in the future.

Sixth, China's economy will resume to normal level in the second half of the year given positive policy effects. For many years in the past, a general characteristic of China's economy was that the size of economic aggregate in the second half of the year accounted for 55% of the year, while the first half of the year accounted for 45%. Consequently, it will strongly support a GDP growth rate of about 3% this year.

2. In 2021, China's economy is likely to achieve high speed growth of about 8%. During the 14th Five-Year Plan period, China's economy will return to a reasonable growth range of 5% to 6%. All suppressed economic activities due to the epidemic are likely to be released in 2021. As the strategy of expanding domestic demand make further progress, consumption in China is expected to reach RMB 48 trillion in 2021, becoming the largest consumer market in the world. Along with the low economic base, China's GDP growth is likely to reach 8% in 2021. Looking forward, China will be able to withstand the shocks from deglobalization during the 14th Five-Year Plan period. The development of China's economy will be implemented in accordance with the Outline of the 14th Five-Year Plan, adhere to the new development model, and consolidate and promote high-quality development. A new development pattern will gradually form, which will mainly rely on domestic circulation, coupled with mutual facilitation between domestic and international markets. In view of this, more economic growth points and positions will be generated, supporting China's economy to operate within a reasonable range.

主要經濟指標 (Key Economic Indicators)

一. 本地生產總值 GDP	2018	2019	2019/Q4	2020/Q1
總量 (億元) GDP(\$100 Million)	27,355	27,030	7,238	6,371
升幅 (%) Change(%)	2.9	-1.2	-3.0	-8.9
二. 對外貿易 External Trade			2020/4	2020/1-4
外貿總值 (億元) Total trade(\$100 Million)				
總出口 Total exports	41,581	40,961	3,095	11,407
進口 Total imports	47,214	45,714	3,328	12,680
貿易差額 Trade balance	-5,633	-4,753	-233	-1,273
年增長率 (%) YOY Growth(%)				
總出口 Total exports	7.3	-5.6	-3.7	-8.1
進口 Imports	8.4	-8.1	-6.7	-9.1
三. 消費物價 Consumer Price				
綜合消費物價升幅 (%) Change in Composite CPI(%)	2.4	2.9	1.9	1.9
四. 樓宇買賣 Sale & Purchase of Building Units				
合約宗數 (宗) No. of agreements	79,193	74,804	4,866	17,610
年升幅 (%) Change(%)	-5.5	-5.5	-50.9	-34.6
五. 勞動就業 Employment			2020/1-2020/3	2020/2-2020/4
失業人數 (萬人) Unemployed(ten thousands)	10.5	12.4	16.2	20.3
失業率 (%) Unemployment rate(%)	2.8	3.3	4.2	5.2
就業不足率 (%) Underemployment rate(%)	1.1	1.2	2.1	3.1
六. 零售市場 Retail Market			2020/4	2020/1-4
零售額升幅 (%) Change in value of total sales(%)	8.8	-11.1	-36.1	-35.3
零售量升幅 (%) Change in volume of total sales(%)	7.6	-12.3	-37.5	-37.1
七. 訪港遊客 Visitors				
總人數 (萬人次) arrivals (ten thousands)	6,515	5,590	0.4	349.3
年升幅 (%) Change(%)	11.4	-14.2	-99.9	-85.3
八. 金融市場 Financial Market			2020/3	2020/4
港幣匯價 (US\$100=HK\$)				
H.K. Dollar Exchange Rate (US\$100 = HK\$)	783.6	779.3	775.5	775.1
貨幣供應量升幅 (%) change in Money Supply(%)				
M1	-0.4	2.6	8.1	6.8
M2	4.3	2.8	2.2	2.0
M3	4.3	2.7	2.0	1.9
存款升幅 (%) Change in deposits(%)				
總存款 Total deposits	5.0	2.9	1.6	1.1
港元存款 In HK\$	3.6	2.5	-0.1	-1.1
外幣存款 In foreign currency	6.4	3.2	3.3	3.3
放款升幅 (%) in loans & advances(%)				
總放款 Total loans & advances	4.4	6.7	7.2	7.3
當地放款 use in HK	4.0	7.1	8.4	7.2
海外放款 use outside HK	5.3	5.8	4.8	7.3
貿易有關放款 Trade financing	-7.7	-0.7	-1.4	0.6
最優惠貸款利率 (%) Best lending rate (%)	5.1250	5.0000	5.0000	5.0000
恆生指數 Hang Seng index	25,846	28,189	23,603	24,644