

ISSUE BRIEF



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No. 2

China in Numbers (2022)

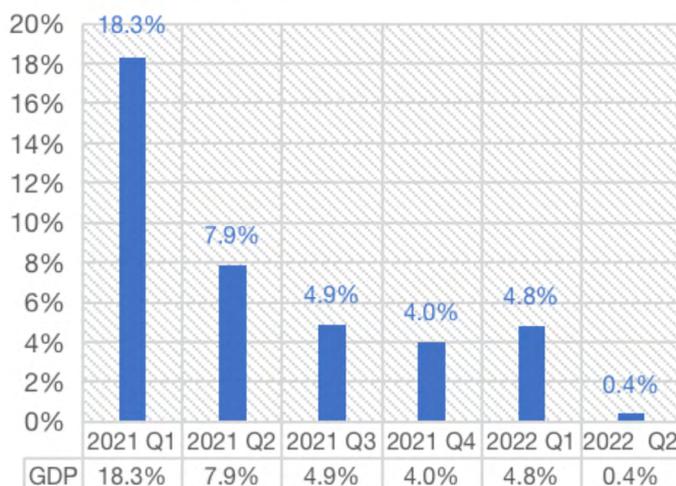


For more information: www.cn.undp.org
United Nations Development Programme China
No. 2 Liangmahe Nanlu, Beijing, China 100600



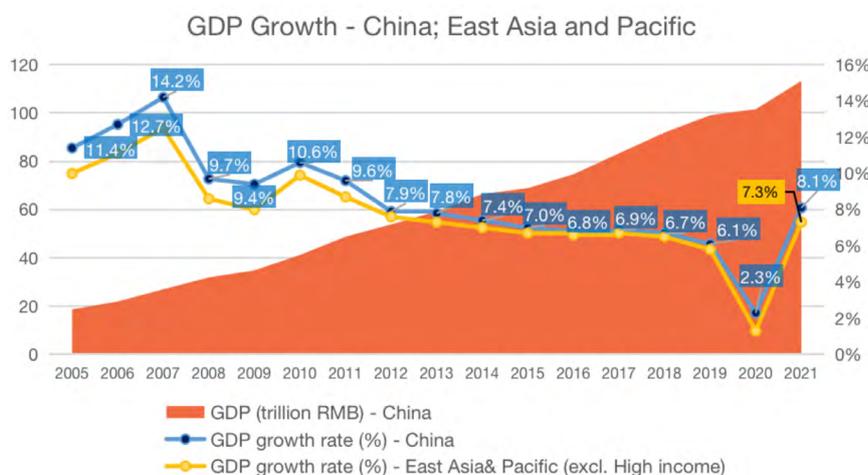
1. Economy

China's GDP growth



Following a robust recovery from a weak 2020, China's GDP growth rate bounced back to **8.1%** year-on-year in 2021, the fastest in 10 years and well above the Government's growth target of "above 6%". During the first quarter of last year, growth reached a surprisingly high level of 18.3%, partly due to strong base effects versus a weak Q1 2020 (-6.9% year-on-year). Growth slowed during the rest of the year and recorded an average rate of 4.5% in the second half of 2021.

At the global level, China has led the global recovery, with growth rates higher than the world and regional averages. **In 2021, the average growth rate globally and in East Asia and Pacific (excluding high income countries) was 5.8% and 7.3% respectively.**

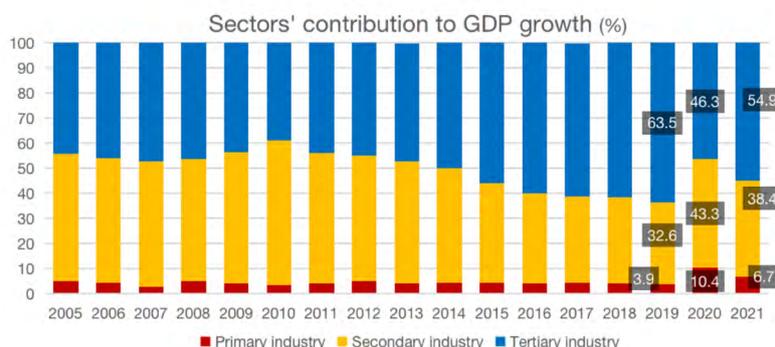


For 2022, China's government set the growth rate target at around 5.5%. GDP rose 4.8% year-on-year in Q1 2022, while the growth rate of the second quarter slowed to 0.4% amid the resurgence of COVID-19 cases and related prevention and control measures, among other factors. Projections for the whole year remain uncertain due to domestic and external downside risks. 2022 growth forecasts have been revised downwards by international institutions and are now between 3.3% and 4.3%.¹

1. IMF, World Economic Outlook Update, July 2022; World Bank, China Economic Update, June 2022; ADB, Asian Development Outlook Supplement, July 2022.

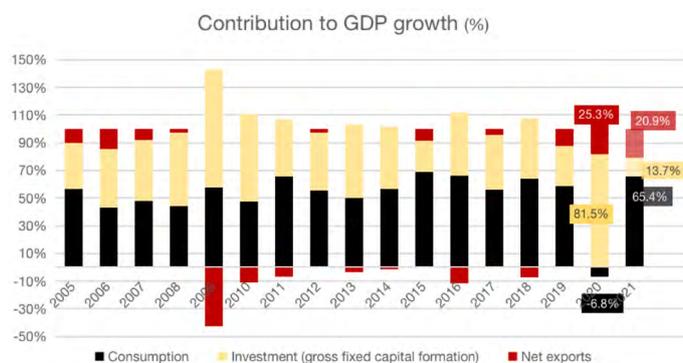


Benefitting from the effective control of COVID-19 in 2021, China's service sector saw a steady recovery. **The contribution of the service sector** to GDP growth rose back to 54.9% following a dramatic drop in 2020. However, it is still not back to pre-pandemic level.



In the first semester of 2022, the **construction and real estate sectors**² contribution to GDP shrank to 6.3% and 6.7% respectively from 7.2% and 7.3% in 2020. This relative decrease was triggered in 2020 by the Government's efforts to tighten its regulatory policy of these sectors.

Construction and real estate share of GDP



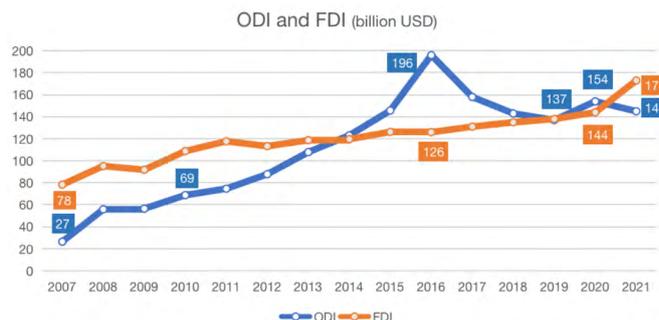
In 2021, **consumption**³ resumed being main engine of China's economy, contributing to 65.4% of its GDP growth. Exports also played a strong role, driving 20.9% of China's growth. In the meantime, investment's contribution dropped from an average of 37.2% in the three years preceding COVID-19 (2017-2019) to 13.7%, the **lowest level** in nearly three decades.

China's trade recorded a very strong performance in 2021, with its total value of imports and exports rising by 21.4% to 39.1 trillion RMB (approx. 5.8 trillion USD). The ranking of China's major trading partners remains the same as previous years. ASEAN continued to be China's biggest trading partner, accounting for 15% of the total trade value, followed by the EU (14%), the United States (13%), and Japan (7%).

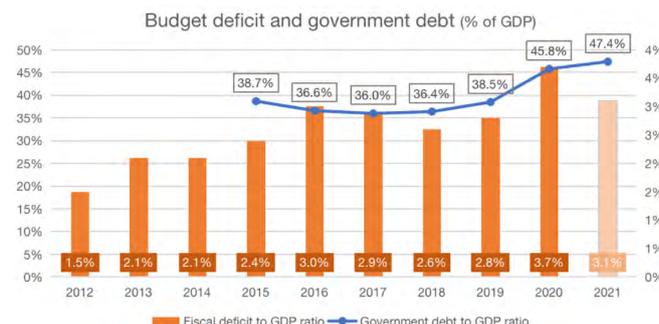


2. Construction is included in secondary industry and real estate is included in tertiary industry.
 3. Here, consumption refers to the sum of household final consumption expenditure (private consumption) and general government final consumption expenditure (general government consumption). For definition, see <https://data.worldbank.org/indicator/NE.CON.TOTL.ZS>.

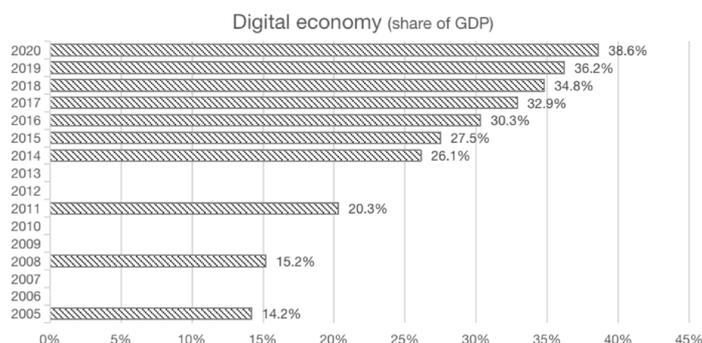
Foreign direct investment (FDI) into China expanded 20% year-on-year to a record high of 173 billion USD in 2021. Outbound direct investment (ODI), however, has been decreasing with some fluctuation since 2016. In 2021, ODI amounted to 145 billion USD.⁴



China's outstanding central and local **government debt** continued to climb after a big surge in 2020, up to 53.74 trillion RMB at the end of 2021, **amounting to 47.4% of GDP**. Meanwhile, the overall **budget deficit** was 3.1% of GDP in 2021. For 2022, the deficit-to-GDP ratio is set at 2.8%.



Despite the impact of COVID-19, China's digital economy continued to show robust expansion in 2020 and topped **39.2 trillion RMB, up 9.2% year on year**. Its share of GDP climbed to **38.6% in 2020**.⁵



2. People

The Human Development Index (HDI) is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living. China's latest HDI value (2019) is **0.761**— which puts the country in the **high human development** category—positioning it at **85th out of 189** countries and territories.

	Human Development Index value (HDI)	Inequality-adjusted HDI (IHDI)	Planetary pressures-adjusted Human Development Index (PHDI)
China	0.761	0.639	0.671
East Asia and the Pacific	0.747	0.621	0.676
High HDI Countries	0.753	0.618	0.688

4. 2020 ODI is revised figure. Preliminary figure published in January 2021 was 132.94 billion U.S. dollars.

5. Digital economy refers to an emerging economic form, taking digitalized knowledge and information as the essential productive factors, digital technology as the core driver and modern information network as the key carrier.

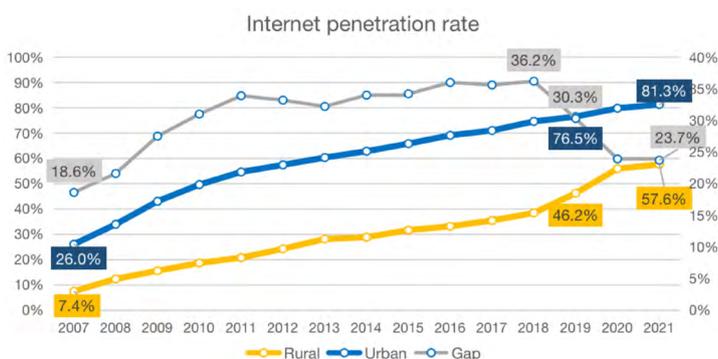
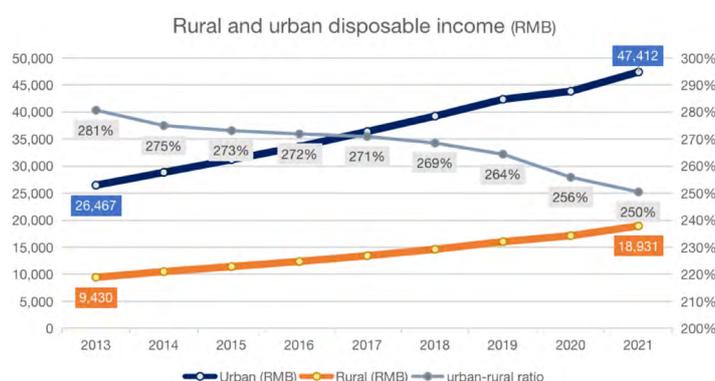
When China's HDI is inequality-adjusted, the index falls to 0.639, a **loss of 16%**. China's loss is lower than the average loss for high HDI countries (17.9%) and East Asia and the Pacific (16.9%).

PHDI is the level of human development adjusted to **account for the excessive human pressure on the planet**. China's PHDI is 0.671, a **loss of 11.8%**, greater than the average loss of high HDI countries (8.6%) and East Asia and the Pacific (9.5%).

China's **Gini coefficient for income** peaked in 2008 and steadily declined until 2015. In 2020, the value rose back to 0.468, higher than the average of 0.35 for the Asia-Pacific economies.⁶



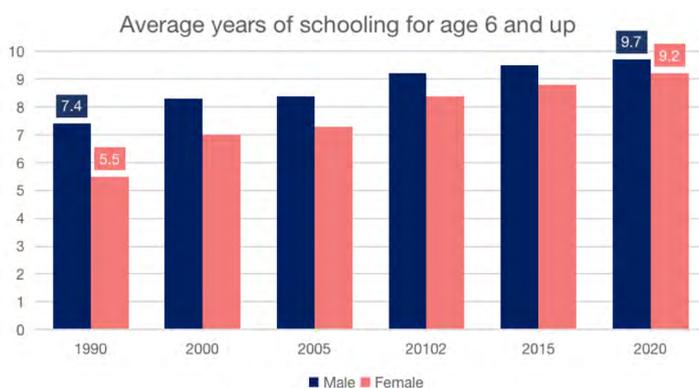
Over the past nine years, the annual per capita **disposable income has continued to grow in both urban and rural areas**, reaching 47,412 and 18,931 RMB respectively in 2021. While there is a large disparity between urban and rural income, the gap as measured by urban-rural income ratio has been declining since 2013 and stood at 2.5 in 2021.



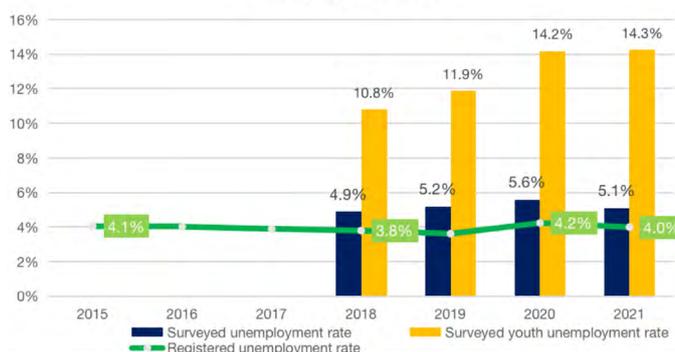
In addition to the income gap, the **digital divide between rural and urban areas** is also narrowing. In 2021, urban and rural internet penetration rates were at 81.3% and 57.6% respectively, a gap of 23.7% compared to the peak level of 36.2% in 2018.

6. OECD. (2019). *Society at a Glance: Asia/Pacific 2019*. www.oecd-ilibrary.org/social-issues-migration-health/income-inequality-of-the-asia-pacific-remains-higher-than-the-oecd-average_43866c4a-en.

The average years of schooling has continued rising for both men and women over the past three decades, with a 31% increase for men and 67% increase for women. However, a gender gap persists, with men's average years of schooling standing at 9.7 in 2020, 0.5 years higher than the average for women.



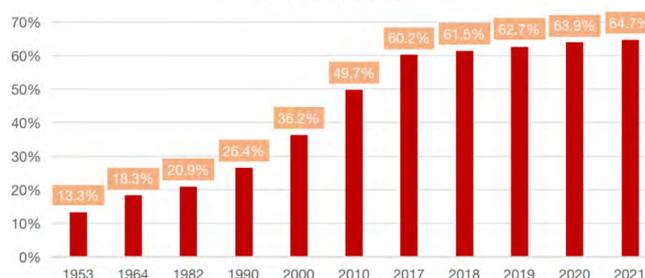
Unemployment rate



With employment being high in the Government's agenda, average surveyed unemployment rate in 2021 fell to 5.1%, lower than the 5.5% target set in the Government Report at the beginning of the year. However, it rose again starting from January 2022, with the youth unemployment rate hitting an all-time high at 19.3% in June 2022, signalling high pressure for China's job market.⁷

In the past four decades, China has undergone a rapid urbanization process. The urbanization rate of permanent residence more than tripled since 1982, reaching 64.7% in 2021.⁸ This also led to an expansion of China's internal migration population, which reached 376 million in 2020 (over 25% of total population).⁹

Urbanization Rate



Elderly population (%) and natural population growth rate (‰)



China is one of the fastest ageing countries in the world. It currently has 200 million people that are 65 years or older, accounting for 14.2% of the total population. China's natural population growth rate fluctuated around 5‰ from 2005 to 2016, but has experienced a dramatic drop over the last five years, going from 6.53‰ in 2016 to 0.34‰ in 2021.

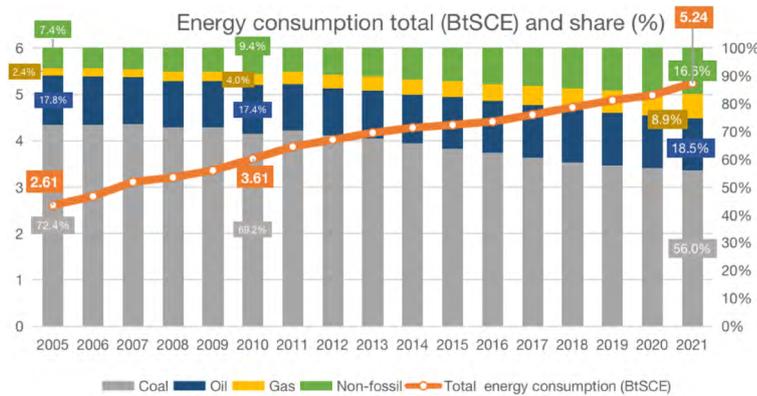
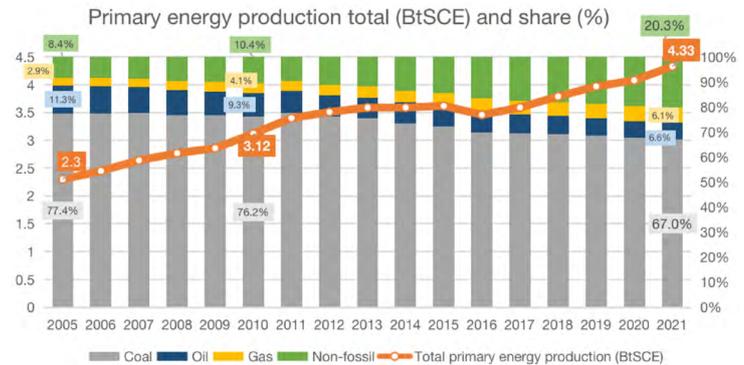
7. The two main indicators used in China to measure unemployment are: (1) surveyed unemployment rate for urban workers, which was introduced in 2018. The indicator captures all regular urban residents based on a monthly survey, without upper limit in age and includes migrant workers. The data presented here is yearly average. (2) Registered unemployment rate only covers unemployed urban workers registered with the government, excluding unregistered groups such as migrant workers.

8. Urbanization rate of permanent residence is defined as proportion of people who live in city for more than 6 months. The 2017-2019 urbanization rate figure is revised by NBS in 2021 based on China's 7th Census.

9. Internal migration population here refers to people whose residence and hukou are not within the same city level according to NBS definition.

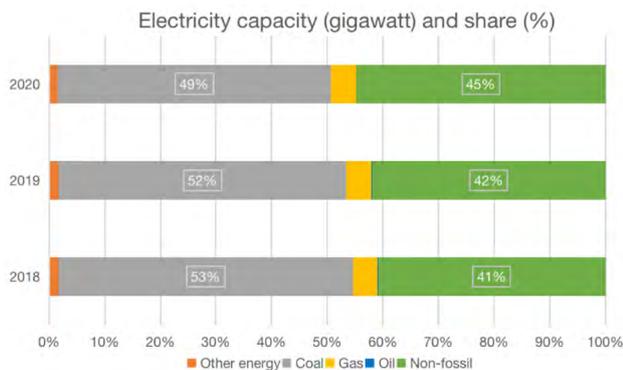
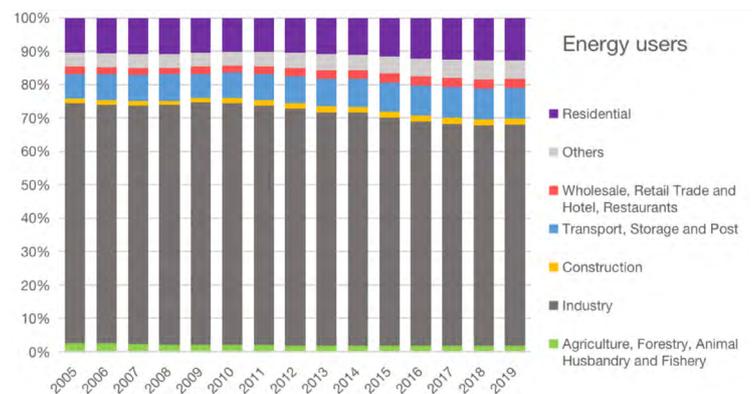
3. Energy and CO₂ emissions

As the largest energy producer in the world, **China's primary energy production reached 4.33 billion tons of standard coal equivalent (BtSCE) in 2021, an increase of 6.1% year-on-year.** The latest data on energy production composition shows that coal (67%) leads, followed by crude oil (6.6%), gas (6.1%) and non-fossil energy resources (20.3%).



China's total energy consumption was 5.24 BtSCE in 2021. While coal (56%) remains dominant, the share of non-fossil energy (hydropower, nuclear, wind and solar power) has increased to 16.6% in 2021.

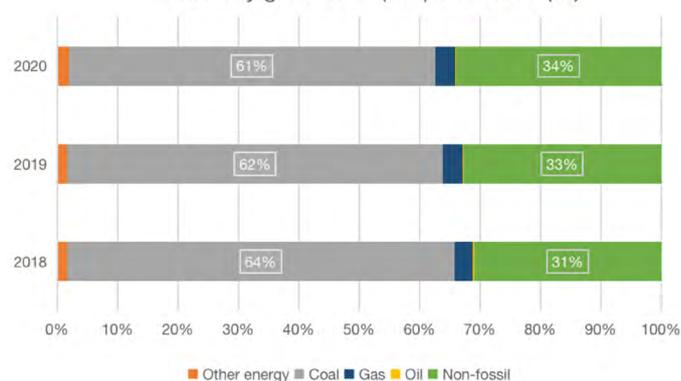
The industrial sector accounts for the majority of energy consumption, followed by residential use. However, the share of industrial energy consumption has steadily **decreased from 72% in 2005 to 66% in 2019.** In the meantime, the share of residential energy consumption has climbed up to 12.5% in 2019.



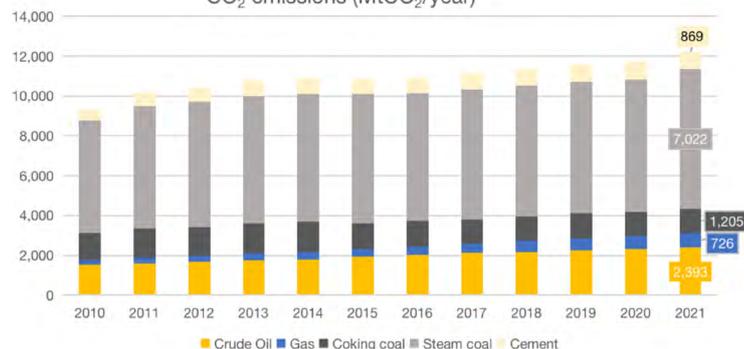
In terms of installed electricity capacity, total capacity stood at 2.2 TW in 2020. The share of non-fossil electricity has steadily increased in the last decade, to 45% of total capacity in 2020, up from 41% in 2018. In 2020, coal remained the dominant source of electricity capacity accounting for 49% of the total. However, 2020 was the first year that saw coal's share dropping below the 50% threshold of China's overall power capacity.

Electricity generation has soared from 1,347 TWh in 2000 to 7,511 TWh in 2020. Actual electricity generation showed similar trends to installed electricity capacity: **a rise in non-fossil energy sources that accounted for 34% of total power generation in 2020**, up from 31% in 2018, as well as a decrease of coal share from 64% in 2018 to 61% in 2020.

Electricity generation (twh) and share (%)



CO₂ emissions (MtCO₂/year)



In 2021, China's **total CO₂ emissions were estimated to be 12.2 GtCO₂/ year**, up from 9.4 GtCO₂/ year in 2010. In 2021, 67.3% of China's CO₂ emissions came from coal (steaming¹⁰ and coke¹¹), 19.6% from oil, 7.1% from cement and 5.9% from gas.¹²

10. Steam coal refers to "coal burned, primarily in boilers, to generate steam for the production of electricity or for process heating purposes, or used as a direct source of process heat."

<https://www.eia.gov/tools/glossary/index.php?id=steam%20coal>.

11. Coke from coal "is used as a fuel and as a reducing agent in smelting iron ore in a blast furnace".

<https://www.eia.gov/tools/glossary/index.php?id=C#coke>.

12. As time series data on CO₂ emission is not available from China's official sources, the data presented here is estimated by Lauri Myllyvirta. It is slightly higher than the estimation made by Chinese scholar Prof. He Jiankun (Tsinghua University), but both trends are very much aligned.

Annex:

Data	Source	Source link
Economy		
GDP (billion RMB) – China	National Bureau of Statistics (NBS)	2005-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zwb=A0201&sj=2021
GDP growth rate (%) – China		2022quarterly data: http://www.gov.cn/shuju/2022-07/16/content_5701332.htm
GDP growth rate (%) - East Asia& Pacific (excl. High income)	Worldbank	2005-2021: data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=4E
Digital economy (% of GDP)	CAICT	http://www.caict.ac.cn/kxyj/qwfb/bps/202104/P020210424737615413306.pdf http://www.caict.ac.cn/english/research/whitepapers/202007/P020200728343679920779.pdf http://www.caict.ac.cn/kxyj/qwfb/bps/201904/t20190417_197905.htm
Sector contribution to growth (%)		
Primary industry Secondary industry Tertiary industry	NBS	2005-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zwb=A0207&sj=2021
Demand component contribution to growth (%)		
Consumption Investment (GFCF) Net exports	NBS	2005-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zwb=A020A&sj=2021
Trade Value (billion RMB)		
Imports Exports Trade balance Total	NBS	2005-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zwb=A0601&sj=2021
Government Account & Investment		
Fiscal deficit (ratio to GDP)	MOF	2021: http://www.gov.cn/xinwen/2022-03/05/content_5677343.htm 2020: http://yss.mof.gov.cn/2020zyys/ 2012-2019: http://www.mof.gov.cn/zyyjskpt/zyzfyjs/
Government debt – central (billion RMB)	NBS	2015-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zwb=A0807&sj=2021
Government debt - local (billion RMB)	MOF	2021: http://www.gov.cn/xinwen/2022-03/05/content_5677343.htm 2020: yss.mof.gov.cn/zhuantilanmu/dfzgl/sjtj/202101/t20210125_3649040.htm 2015-2019: www.celma.org.cn/ndsj/index.jhtml
ODI (billion USD)	NBS; NDRC; MOFCOM	2021: https://www.ndrc.gov.cn/fggz/lywzjw/jwtz/202201/t20220129_1313886.html?code=&state=123
FDI (billion USD)		2005-2020: data.stats.gov.cn/easyquery.htm?cn=C01

People		
Gini Coefficient (on disposable income)	NBS	https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0A0G&sj=2021
Urbanization Rate	NBS	2017-2021: http://www.stats.gov.cn/tjsj/zxfb/202202/t20220227_1827960.html 1953-2020: http://www.stats.gov.cn/english/PressRelease/202105/t20210510_1817192.html
Unemployment rate (registered)	NBS	2015-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A040N&sj=2021
Unemployment rate (surveyed)	NBS	2018-2021: https://data.stats.gov.cn/easyquery.htm?cn=A01&zb=A0E01&sj=202206
Average years of schooling	NBS	2021: http://www.stats.gov.cn/tjsj/pcsj/rkpc/7rp/indexch.htm 1990-2015: Women and Men in China, Facts and Figures 2019
Disposable income - rural Disposable income - urban	NBS	2013-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0A03&sj=2021 2013-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0A02&sj=2021
Elderly population (%) Natural population growth rate (‰)	NBS	2005-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0303&sj=2021 https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A0302&sj=2021
Internet penetration rate – rural Internet penetration rate – urban	CNNIC	2007-2015: http://www.cnnic.net.cn/hlwfzyj/hlwxzbg/ncbg/201608/P020170907348967498375.pdf 2016-2020: http://www.cnnic.net.cn/hlwfzyj/hlwxzbg/hlwtjbg/202102/P020210203334633480104.pdf 2021: http://www.cnnic.net.cn/hlwfzyj/hlwxzbg/hlwtjbg/202202/t20220225_71727.htm
Human development index – China Human development index – East Asia and the Pacific	UNDP	https://hdr.undp.org/data-center/country-insights#/ranks https://hdr.undp.org/system/files/documents/hdr2020pdf.pdf https://hdr.undp.org/sites/default/files/data/2020/2020_phdi.pdf
Energy and CO ₂ emissions		
Total primary energy production (billion tons of standard coal equivalent (SCE)) - Share of coal, oil, natural gas, non-fossil Total energy consumption (billion tons of standard coal equivalent (SCE)) - Share of coal, oil, natural gas, non-fossil	NBS	2005-2021: https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A070B&sj=2021 https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A070E&sj=2021
Energy uses	NBS	2005-2019: https://data.stats.gov.cn/easyquery.htm?cn=C01&zb=A060G02&sj=2021
Installed electricity capacity	China Electricity Council	2020: 2021 年中国电力统计年鉴 (September 2021) 2018-2019: https://www.cec.org.cn/menu/index.html?542
Electricity generation	China Electricity Council	2020: 2021 年中国电力统计年鉴 (September 2021) 2018-2019: https://www.cec.org.cn/menu/index.html?542
CO ₂ emission	Myllyvirta (2022)	https://www.carbonbrief.org/analysis-chinas-co2-emissions-see-longest-sustained-drop-in-a-decade/

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Contact Information

United Nations Development Programme in China

Rong.Shi@undp.org

Arnaud.Debauge@undp.org

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