News Release

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For Chinese consumers to lead growth, Chinese incomes must rise

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Chinese prosperity can be a win-win for the world, according to business and government leaders during the "The Global Dimensions of China's Domestic Growth" session at the World Economic Forum ’ s Annual Meeting of the New Champions.

But if the Chinese are to take over as the world ’ s leading consumers, China ’ s per capita GDP, which currently stands at just US$ 2,000, must rise considerably.

And for China ’ s growth to positively impact the developing world, it must work to raise all sectors of resource-rich countries.

“ The key is a win-win solution through a collectively accepted process, ” said Zhao Xiaoyu, Vice-President, Operations, Asian Development Bank, Manila.

“ Domestic consumption must be the future driving force for China ’ s economic growth, ” said David Li Daokui, Director and Mansfield Freeman Professor of Economics, Center for China in the World Economy (CCWE), Tsinghua University, People's Republic of China.

Jon M. Huntsman Jr, US Ambassador to the People's Republic of China, agreed. The Chinese government must encourage consumption through tax rebates and shedding of state-owned assets, said Li Daokui. Resource-rich, cash-poor countries also stand to benefit from Chinese growth and investment.

“ We view it as a win-win situation in the sense that China has invested in virtually all of the sectors of the economy, and we also export a lot to China, ” said Sarah O. Alade, Deputy Governor of the Central Bank of Nigeria. “ We see this Chinese influence as something that will be mutually beneficial. ”

The World Economic Forum ’ s Annual Meeting of the New Champions 2009 (“ Summer Davos ” in Asia), hosted in partnership with the government of the People ’ s Republic of China represented by the National Development and Reform Commission (NDRC), is focusing on “ Relaunching Growth ” and has welcomed more than 1,300 participants from 86 countries.

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