

Sectoral shifts and growth patterns in China

Juan Carlos Martinez Oliva

Former Senior Director
Directorate General for Economics, Statistics, and Research
Bank of Italy

Hong Kong Institute for Monetary Research

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Summary

This paper analyses the sectoral shifts that occurred in the Chinese economy in the period 1980-2015. This is done by highlighting the main patterns of growth and productivity using Chinese official statistics.

The analysis is performed with the help of quantitative techniques aimed at decomposing GDP and aggregate labour productivity, and at tracking the sectoral shifts that occurred in China in the period 1980-2015. The main features of the dynamic patterns of growth and productivity of the economy show that between 1980 and 2000 the industrial sector has grown fast, becoming the leading contributor to GDP and productivity. Since 2000, however, the services sector has started to catch up, and in the most recent years it has become the leading and most dynamic contributor to overall GDP and productivity.

The data suggest that there might be still a long way to go to a full-fledged services-led pattern of growth such as the one that characterizes most advanced economies today; but if one looks at the broad scope for expansion in sectors such as the financial services, and to the

policies undertaken in China to enlarge the opening of the economy, broaden the financial and currency markets, foster global communication, finance world infrastructures, then the transition might occur much faster than expected.