What does it contain?

other visual elements

economy shown graphically The project was undertaken in 2007, The goal was to provide a wall-size view of the major elements of the whole economy of a large country. The experiment was part of our investigation of what we make it accessible. Other tics and foreign affairs.

How do I get updates & revisions?

Robert E. Horn Senior Researcher Stanford University hornbob@earthlink.net

What is the current situation in the DRAFT - Feedback Requested

of GDP by 20% over 5 years

The Domestic Economy The Domestic Economy

China's banking system

More about the private banks.

More about the commercial banks.

- are very underfunded and lack capital

- Over 60% of all loans are bad

What kinds of banks does China have?

About 32,000 small banks and credit cooperatives

More about the "Big Four"...
(The Bank of China, China Construction Bank, the Industrial

57% of all of the Big Four's loans are for SOEs and large

have undergone more flexible reforms than the other banks

- were intended to revitalize agriculture, but have "lost focu

- few SOE employees who get laid off receive adequate

What are some examples of government support

- the government retains strong economic control through SOEs, retaining core elements of a socialist market econo

unproductive, unprofitable SOEs are a drag on growth

istortion supply and demand of national and international

private firms are not competitive against SOEs

estimated SOE profits (billions of \$USD)

support, training, or help from the state

V. 2.0 (May 2007)

DRAFT

Economic Challenges

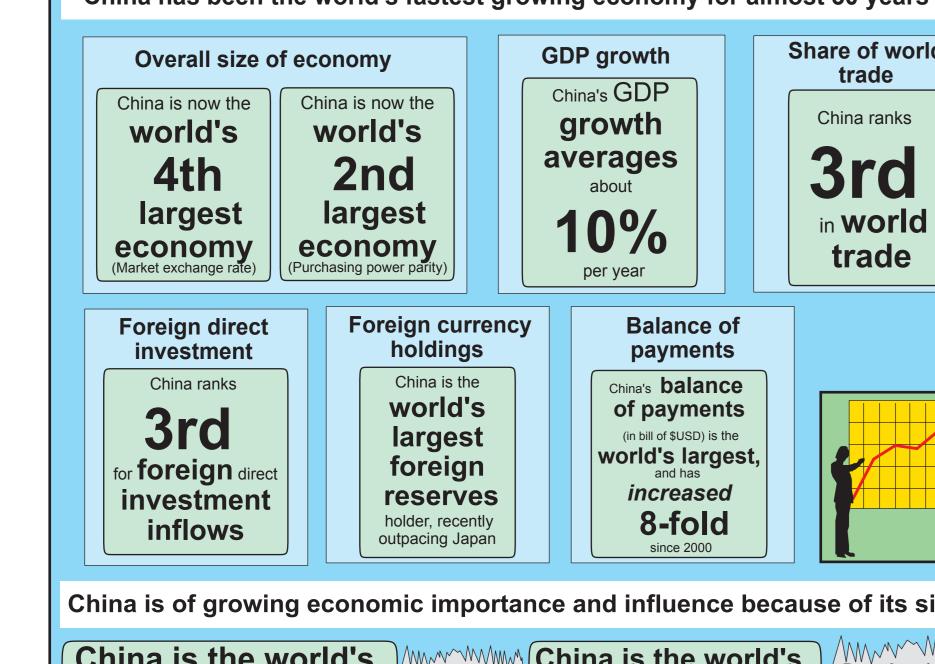
Economic Challenges

global economic influence of private Chinese brands competitiveness of small domestic firms in China

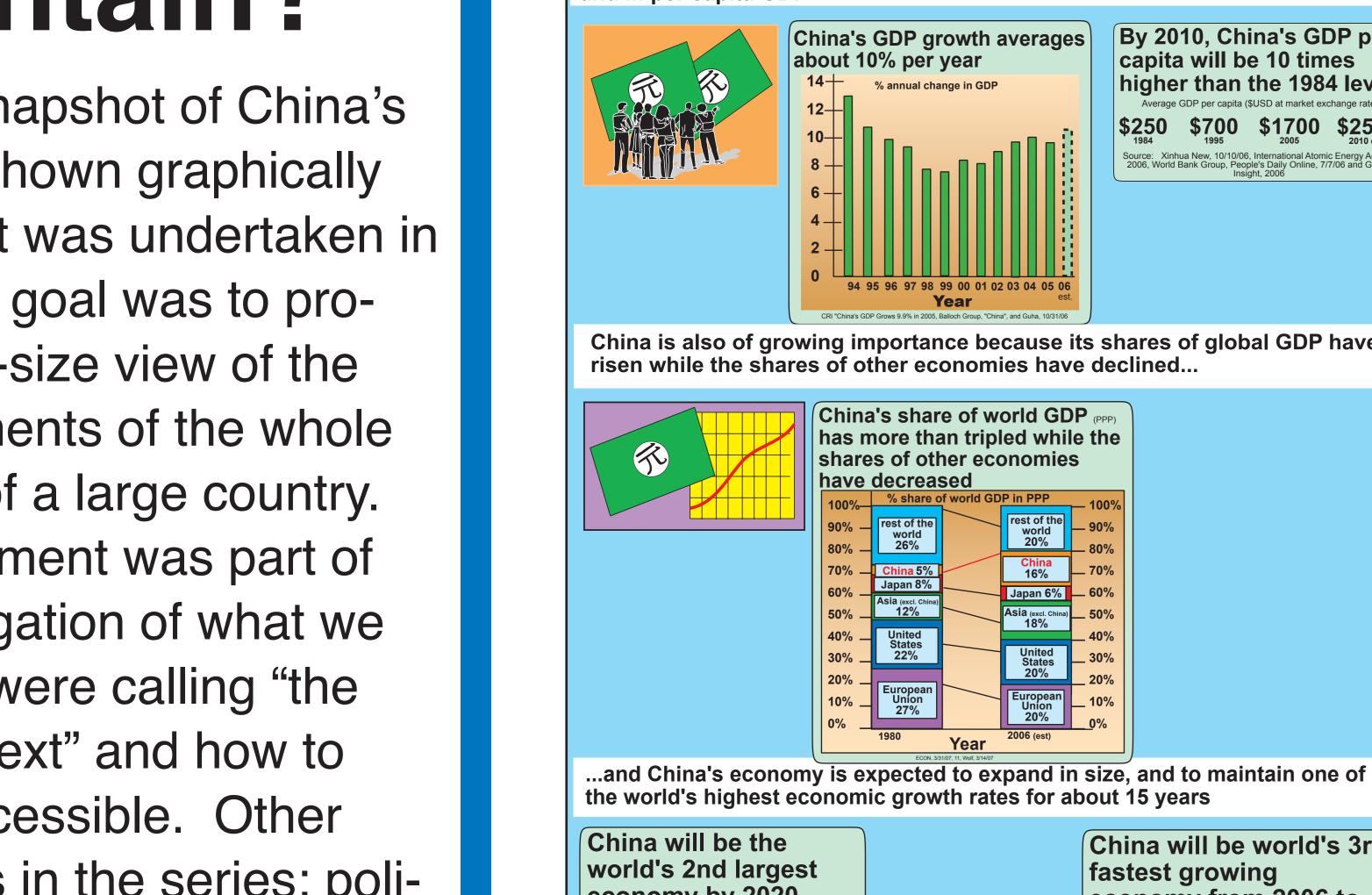
Nuclear Power

Power Shortages

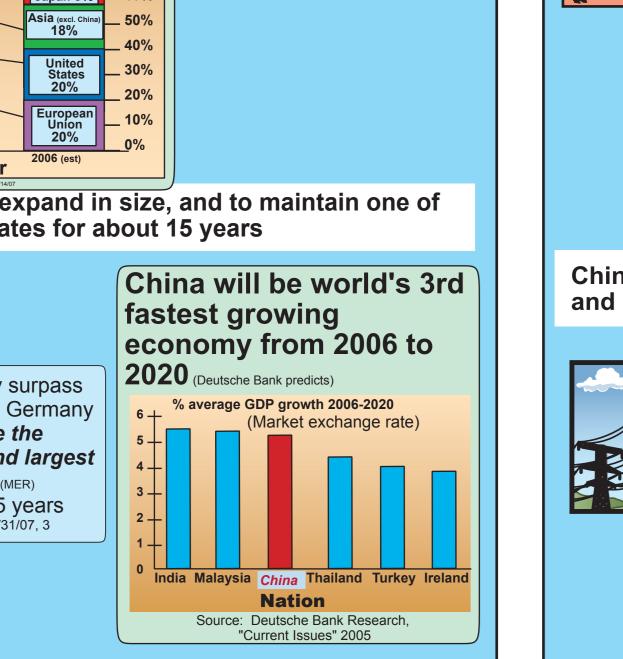
Growing Economic Importance





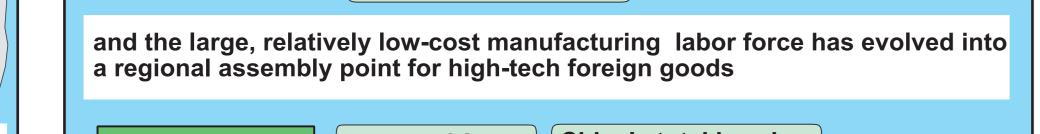


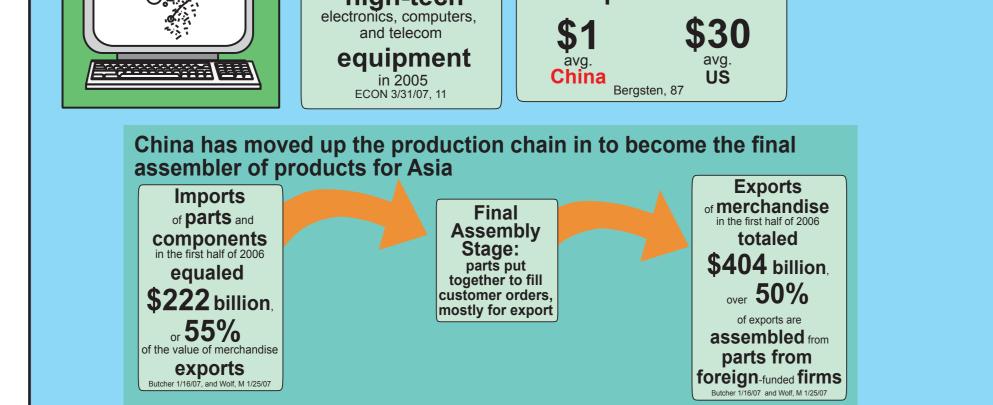
2005, and Central Research Institute of Elect Power Industry of Japan, 2005.

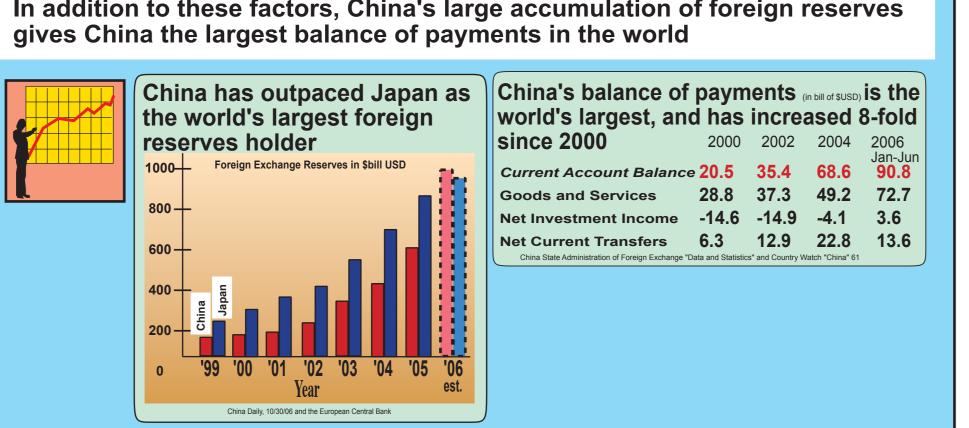


Growing Economic Importance









Global Economic Impacts

buy more imported components for less, which

Freer trade policies have helped to expand trade volumes, especially

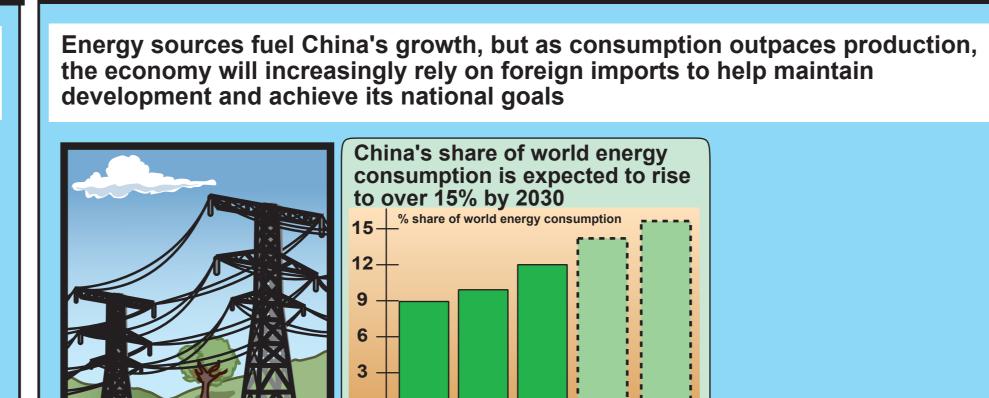
Source: Econ, 3/31/07, 11

...and, as the world's 4th largest

State price controls What sectors are under price controls? "essential" goods and services like food and tobacco energy resources, like coal and petroleum How do price controls benefit SOEs? low-priced commodities are given to SOEs as - the subsidies allow SOEs to make and sell goods a lower prices than other firms - subsidies help keep unproductive and inefficient What are the implications of price controls - artificially low prices, like energy prices, promote industrial growth and private consumption low prices give no incentive for greater efficiency - gives SOEs advantages over private domestic firms - distortion of supply and demand - distortion domestic and international markets Bradsher, 7/11/06, and Heritage Foundation "China"

Party-state to promote economic growth and support SOEs despite

Energy Economics



- relaxed control over interest

and exchange rates
- more investments by fo

banks allowed in "permis

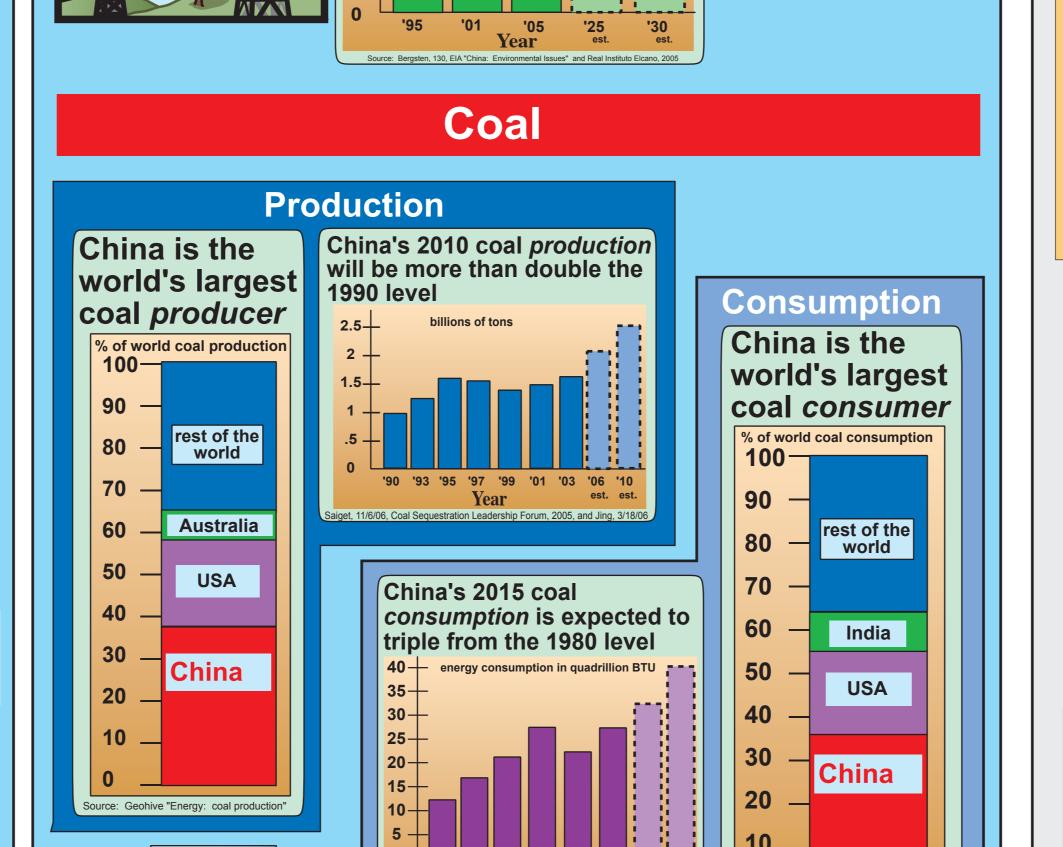
banks given to foreign fir

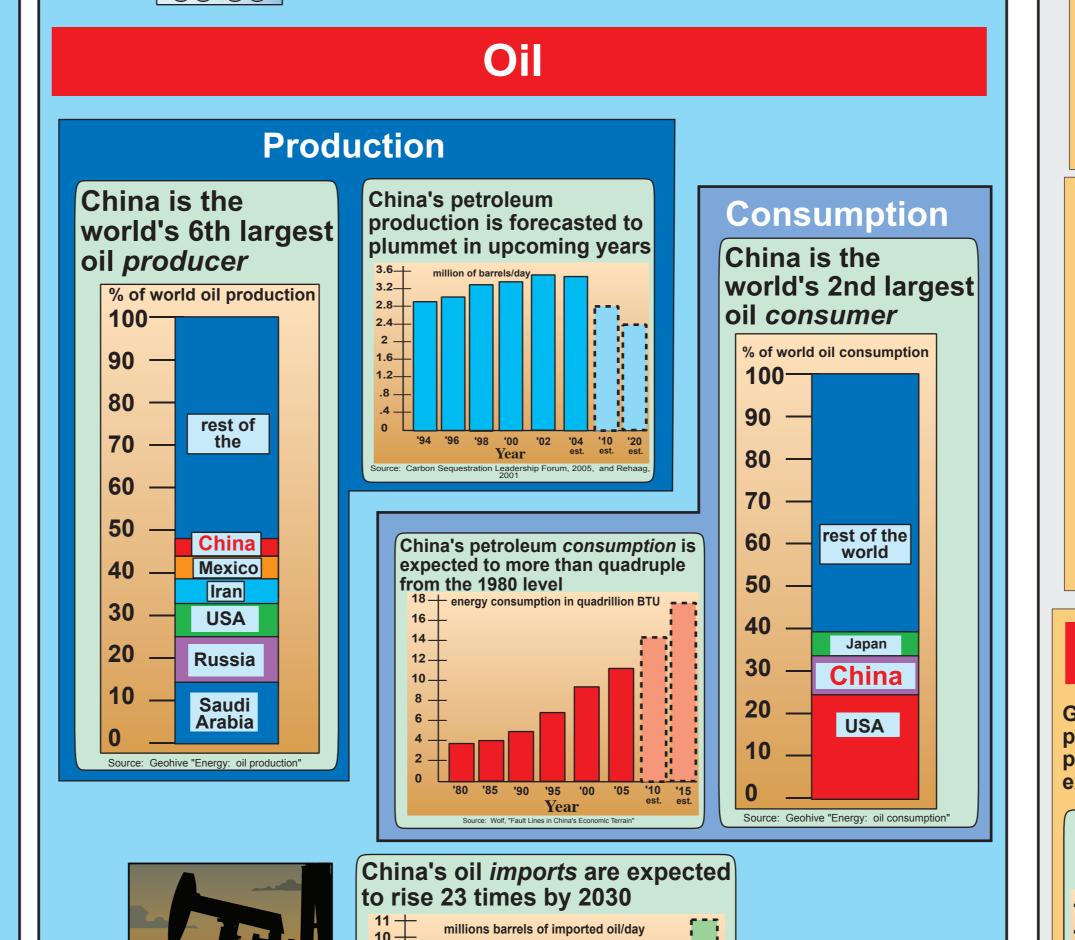
China's "Big-Four" banks own 55%

China's Banks give 65%

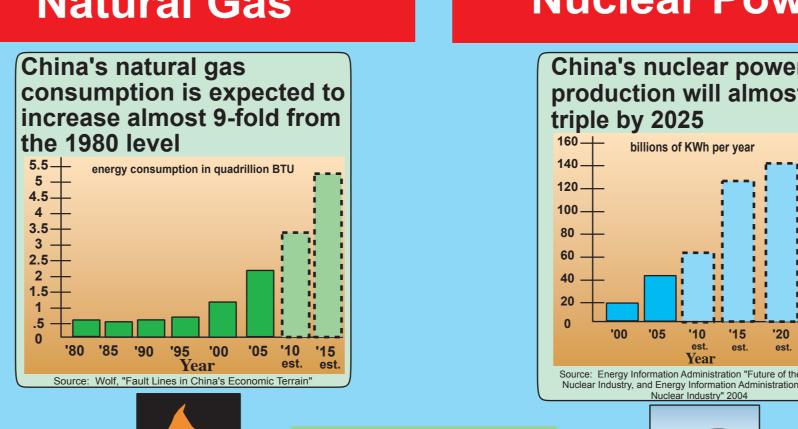
ECON, 3/25/2006, 12

ices, reap large profits, and compete in global markets

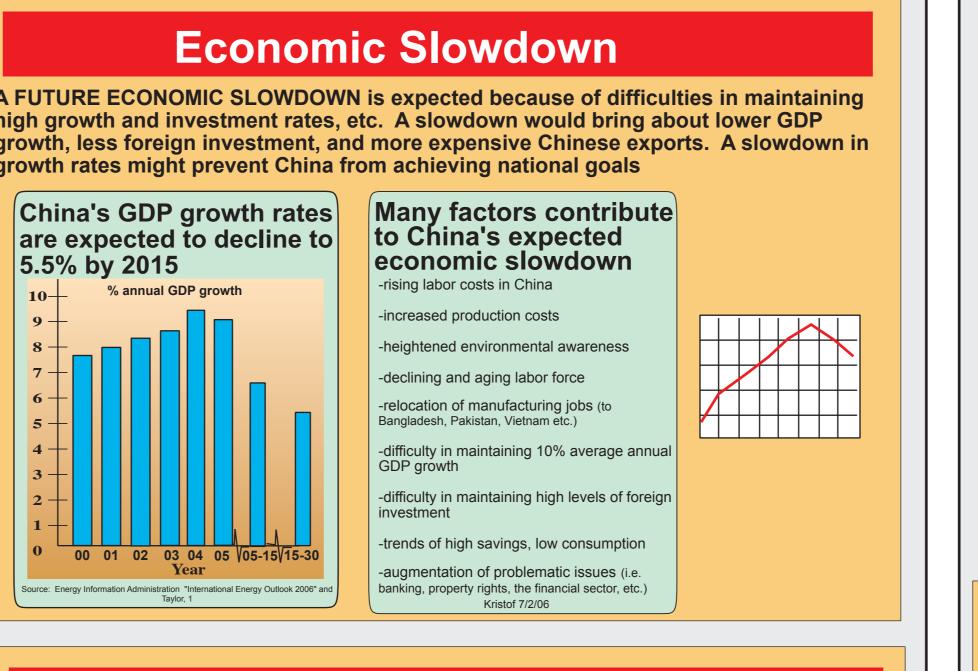


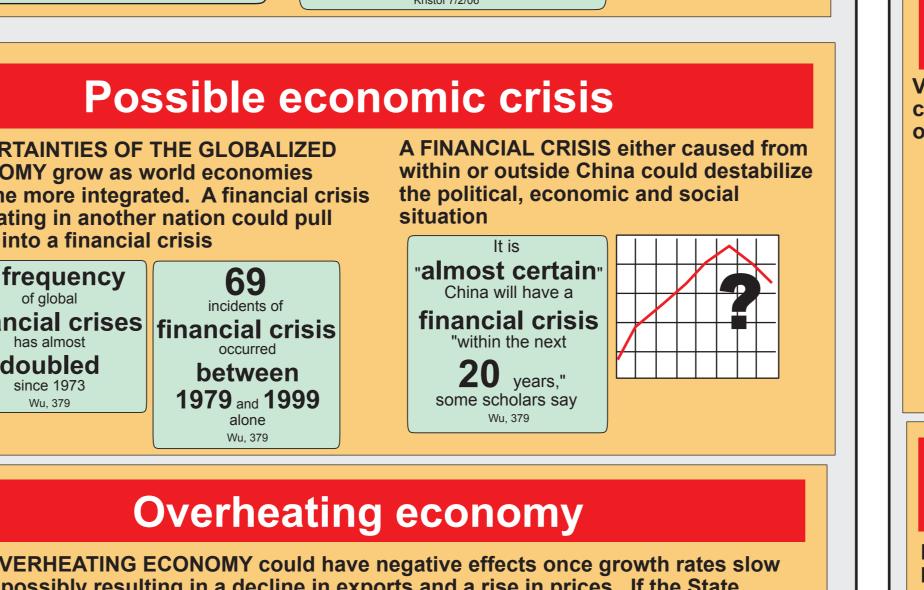


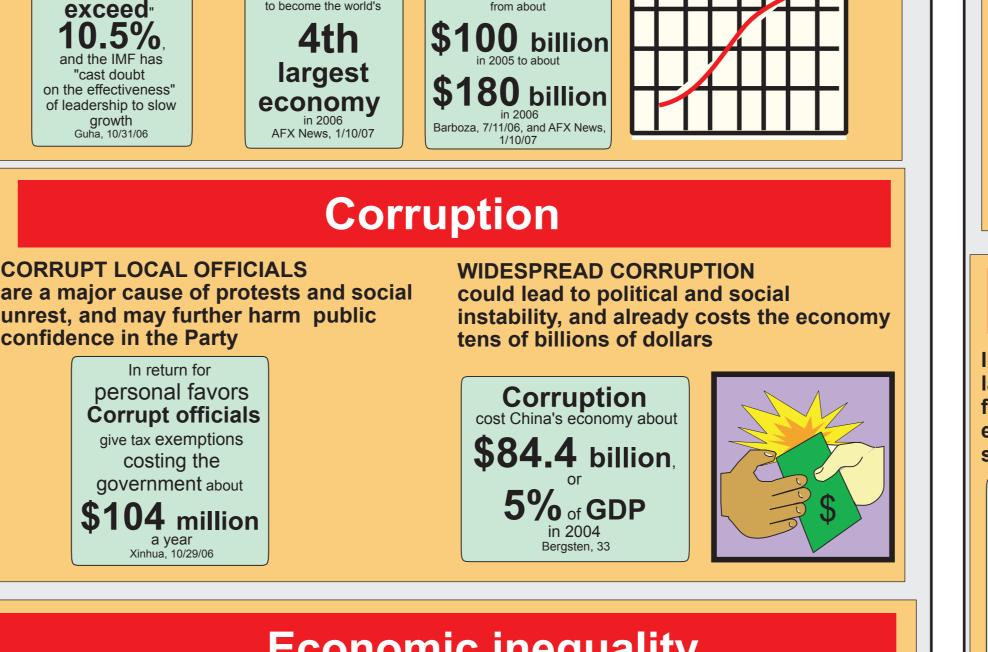
Natural Gas

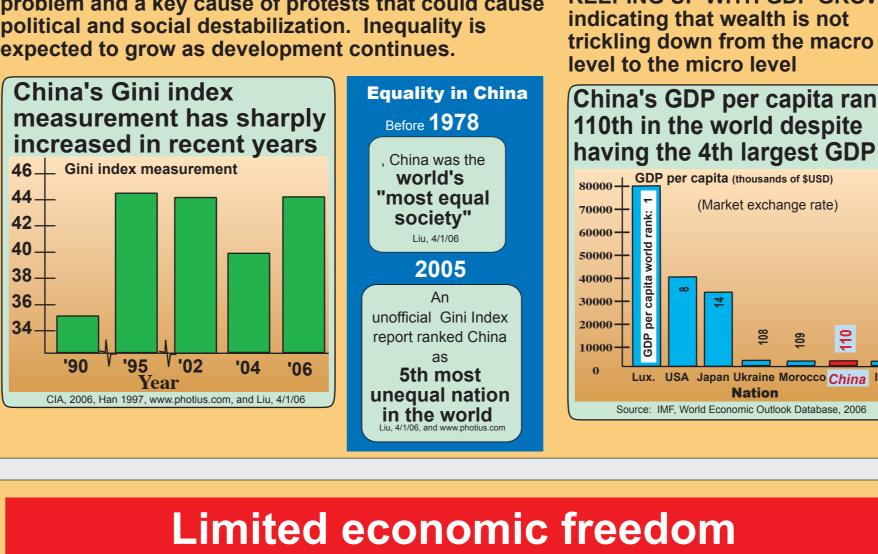


Economic Challenges



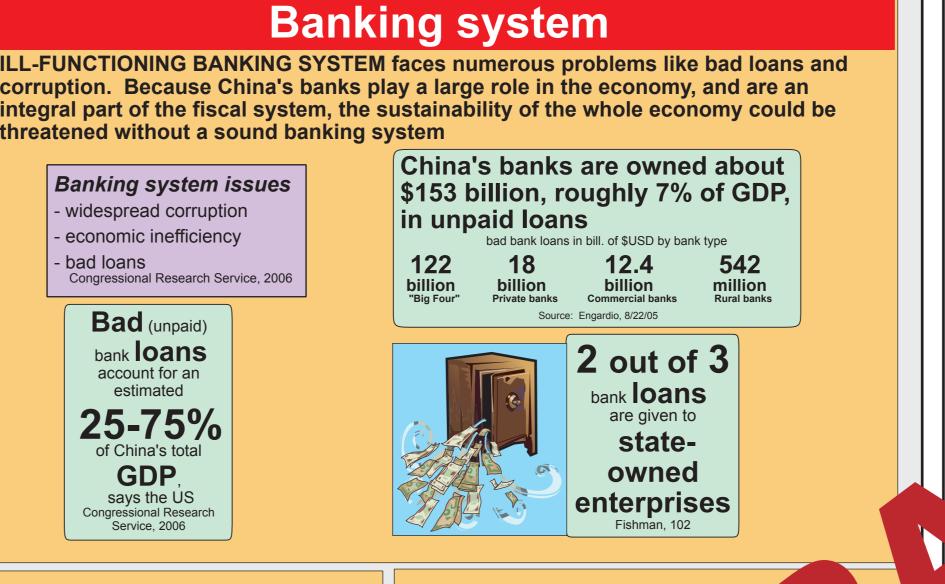




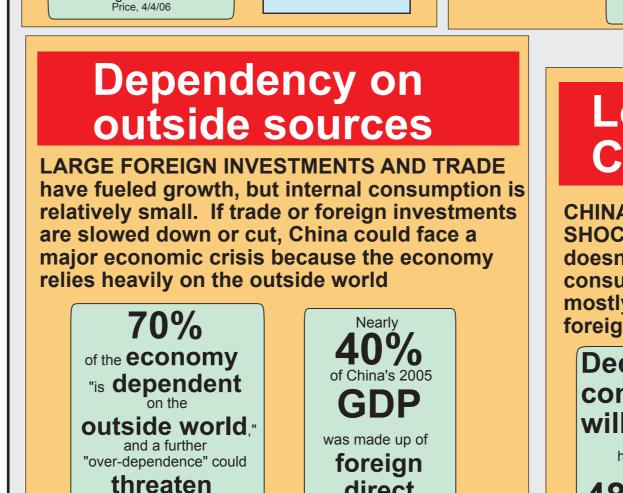


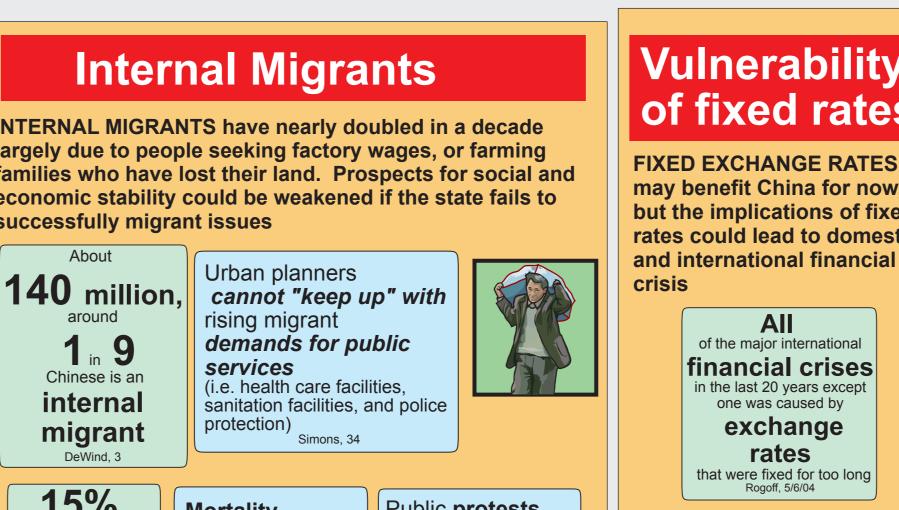


Economic Challenges

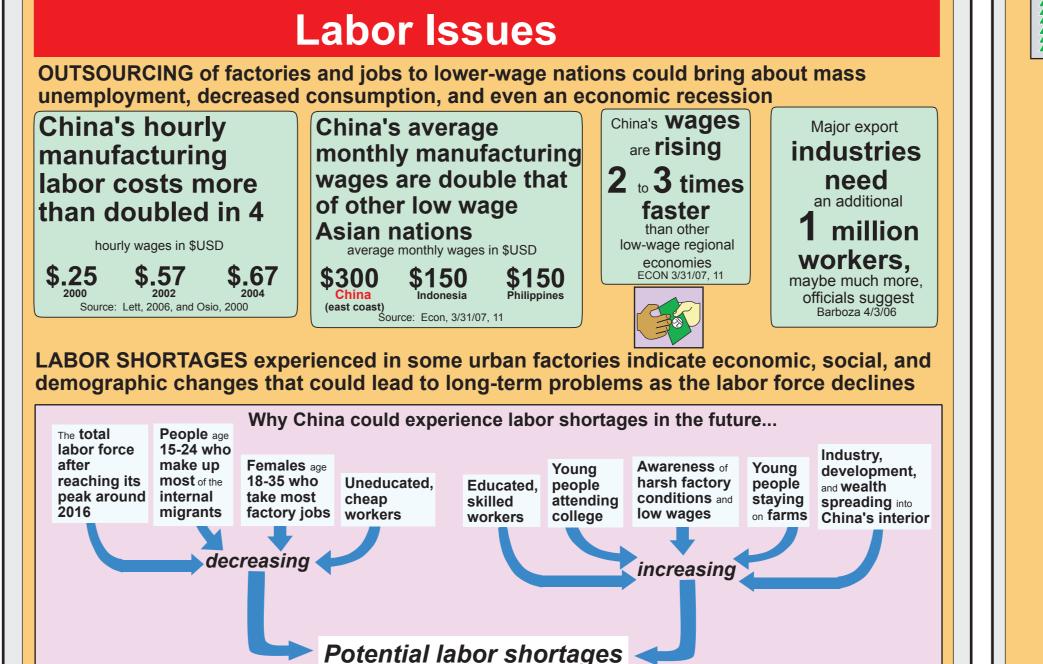




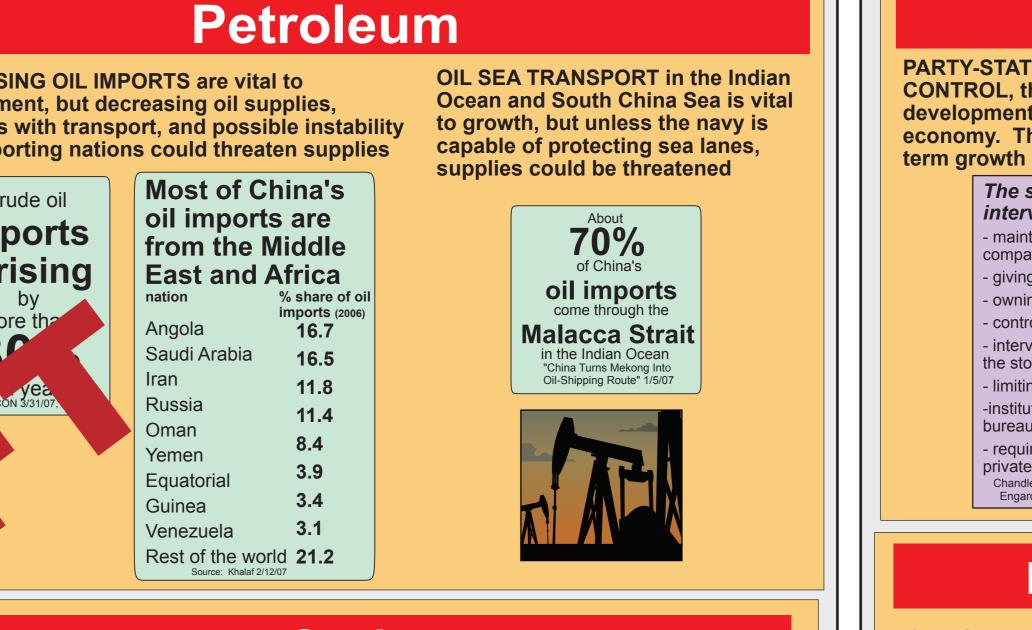


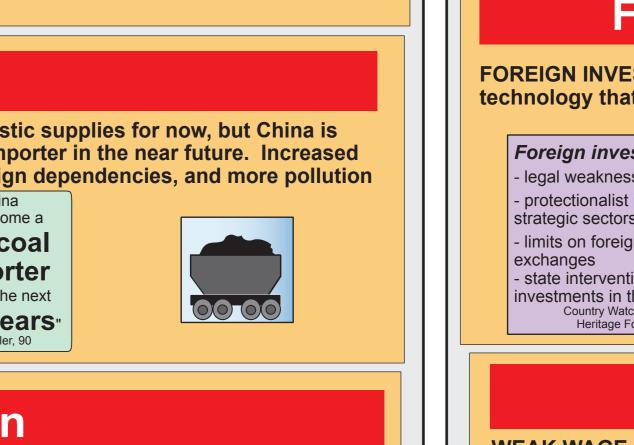






Economic Challenges





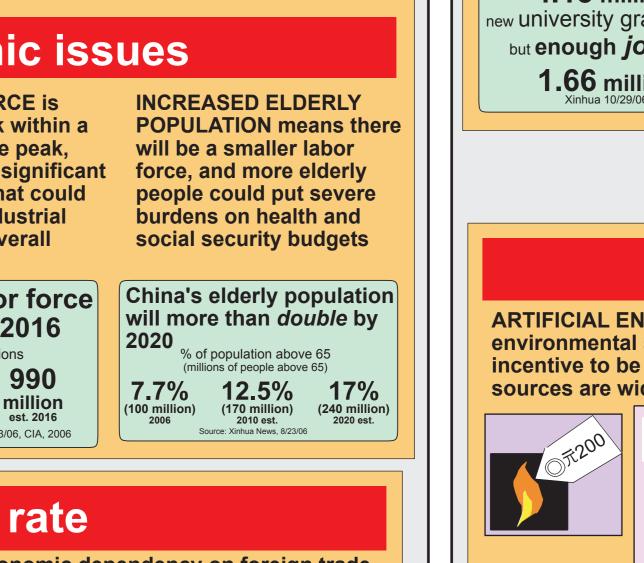


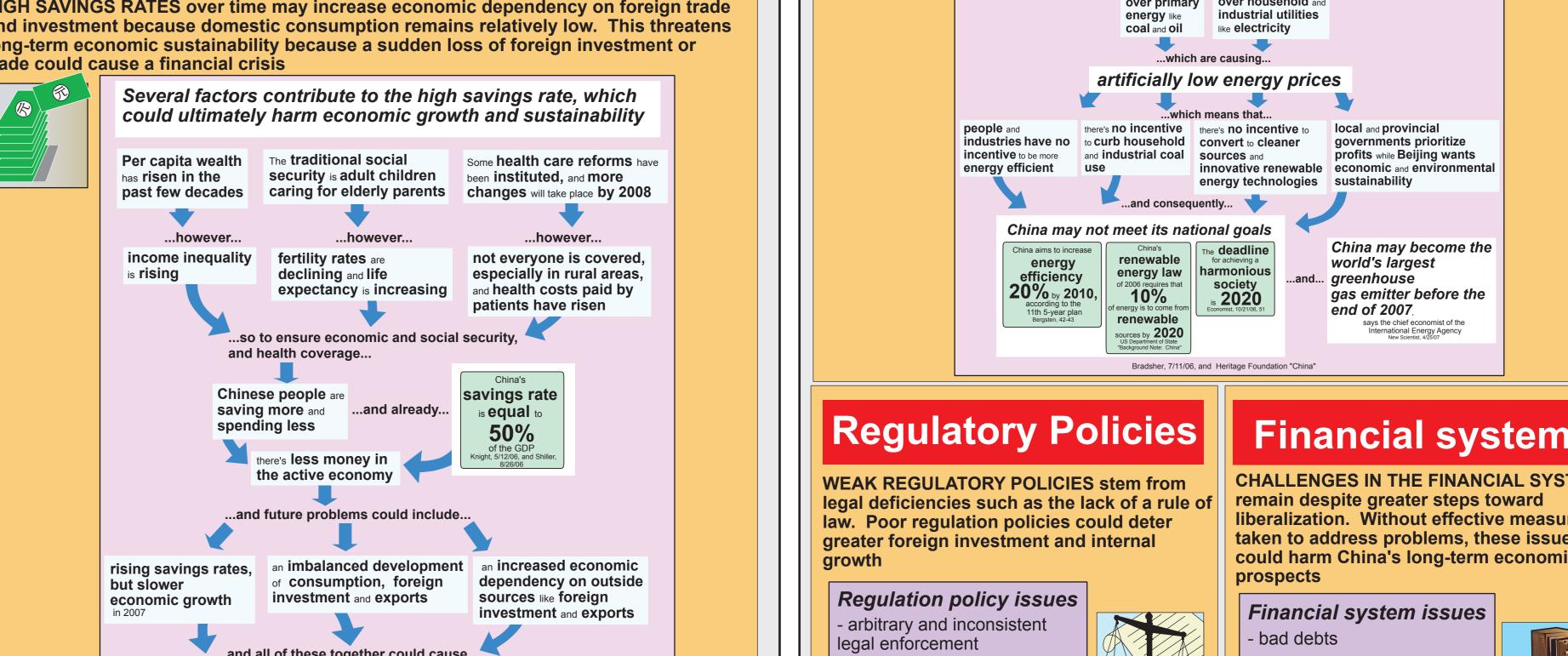
...and all of these together could cause...

threats to future economic development

Source: Chandler, 98 and Wu, 308

slowed internal economic growth and





- lack of transparency

- widespread corruption

Heritage Foundation "Chi

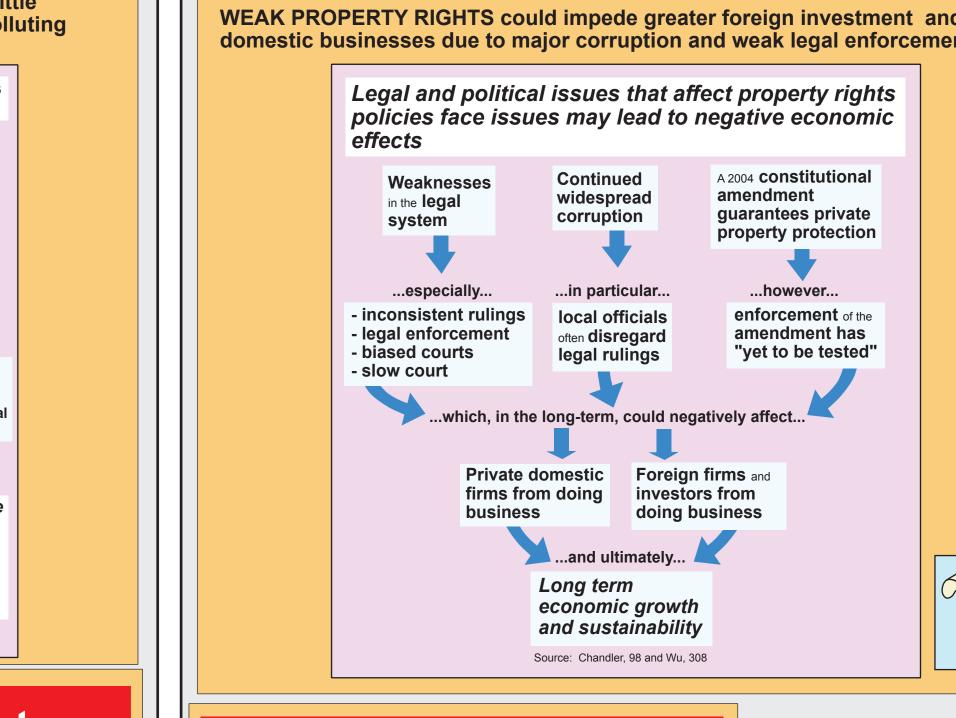


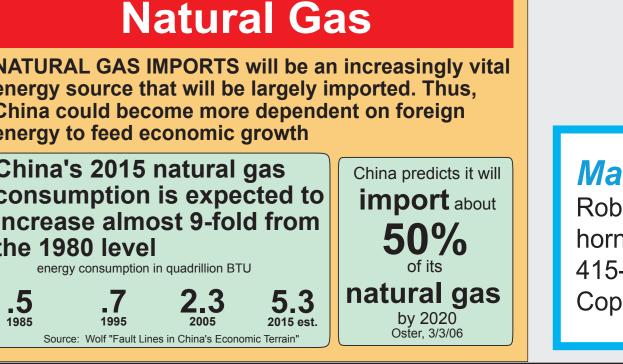






lead to economic waste, overproduction.





Despite the growth of private firms, domestic economic conditions are generally unfavorable for competition

