



中国社会科学院世界经济与政治研究所  
Institute of World Economics and Politics, CASS

# Paradigm Shift of China's Economy: amidst the China-US Tension and Pandemic Shock

Qiyuan XU

**Paradigm Shift:** Post-Covid-19 Global Economy and Challenges for Policy Response



Institute for International Monetary Affairs, March 3, 2021



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# **Evaluation of effects of trade friction, changes in the global supply chain**



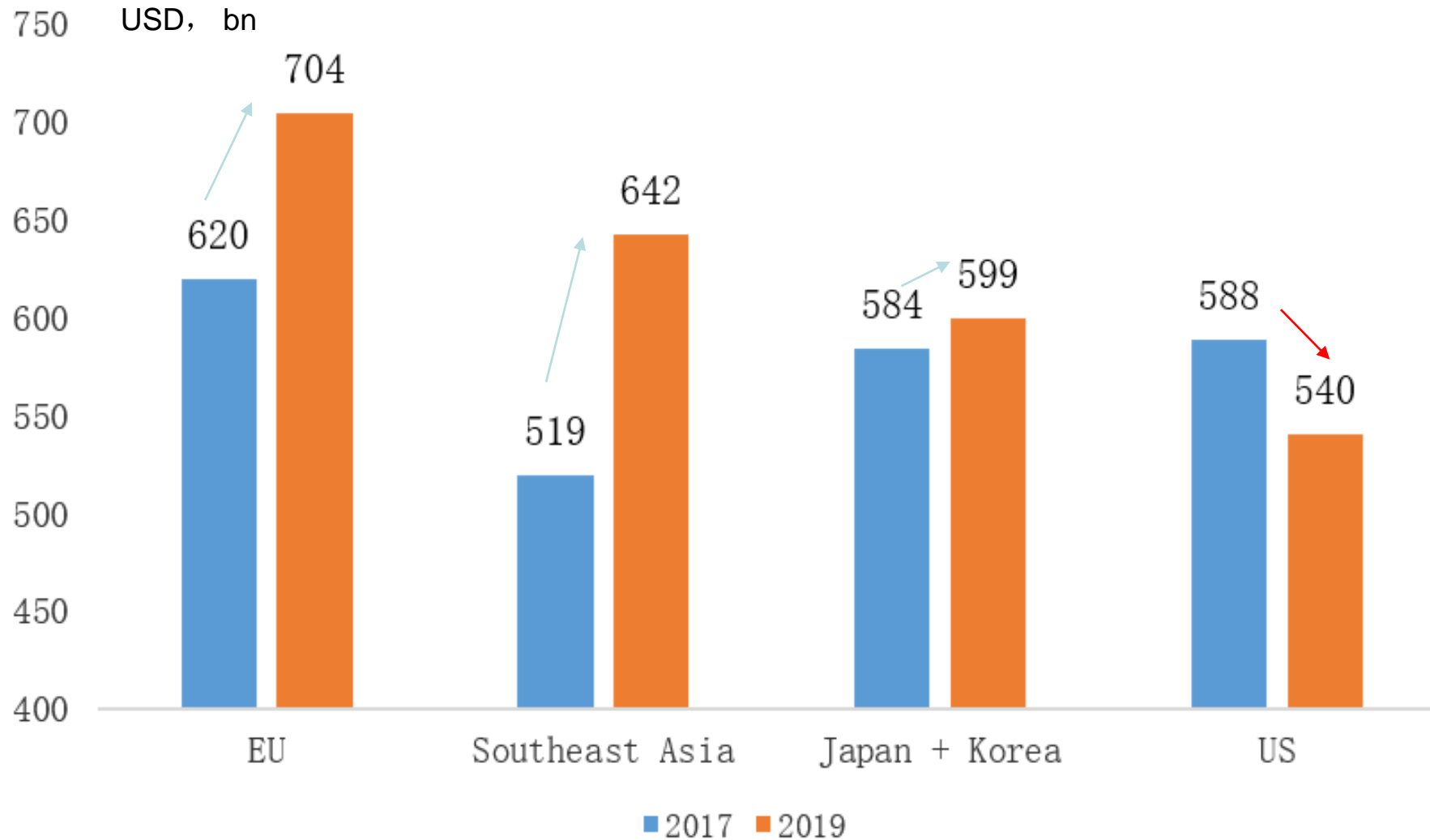
## Trump gov. is very tough to delink itself from China

### Exclusions of the United States imposed tariffs on China (by the end of May, 2020)

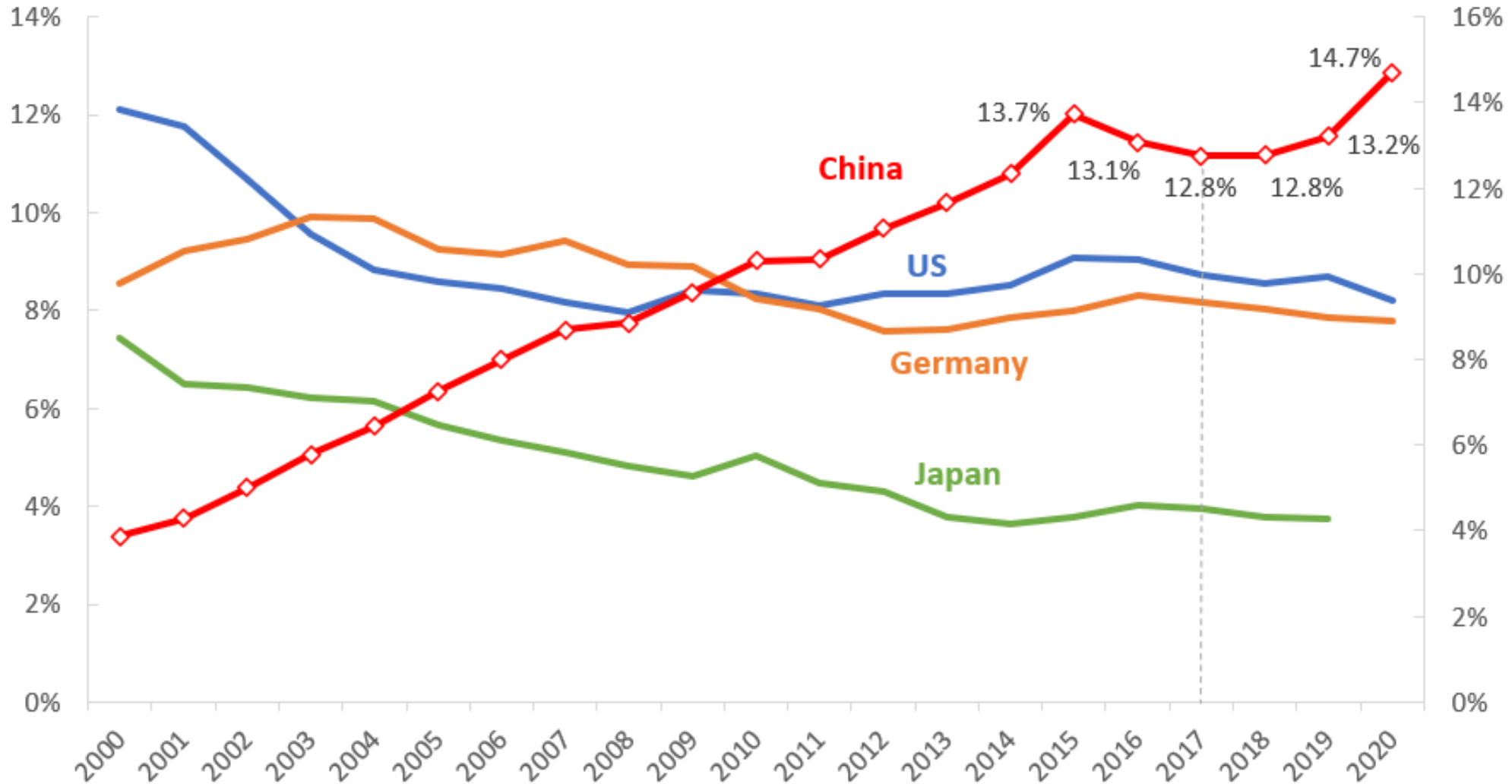
	Deal 1	Deal 2	Deal 3	Deal 4A
Amount: USD bn	34	16	200	120
Imposed tariffs	25%	25%	25%	7.5%
Start time and tariffs changes	2018.07.06	2018.08.23	2018.09.24(10%) 2019.05.10(25%)	2019.09.01(15%) 2020.02.14(7.5%)
window period accept the application	2018.07.11- 2018.10.09	2018.09.18- 2018.12.18	2019.06.30- 2019.09.30	2019.10.31- 2020.01.31
Amounts of items applied	10814	2869	30283	8781
actual progress	Completed	Completed	Completed	In progress, 1.9%
Amounts of exclusions: bn	8.8	4.2	14.9	4.3
Ratio of exclusions	25.8%	26.3%	7.5%	3.6%
Additional period	Yes	38	—	—
	No	87	—	—



## Paradigm shift of China's exports bilateral trade of China's major partners



As a result, the ratio of China's **export in global trade** increased. China's economy is more tightened with global production network, while the link with US is weakened.



Source: the data ranges from 2000 to 2019, WTO. The data of 2020 is estimated by author.

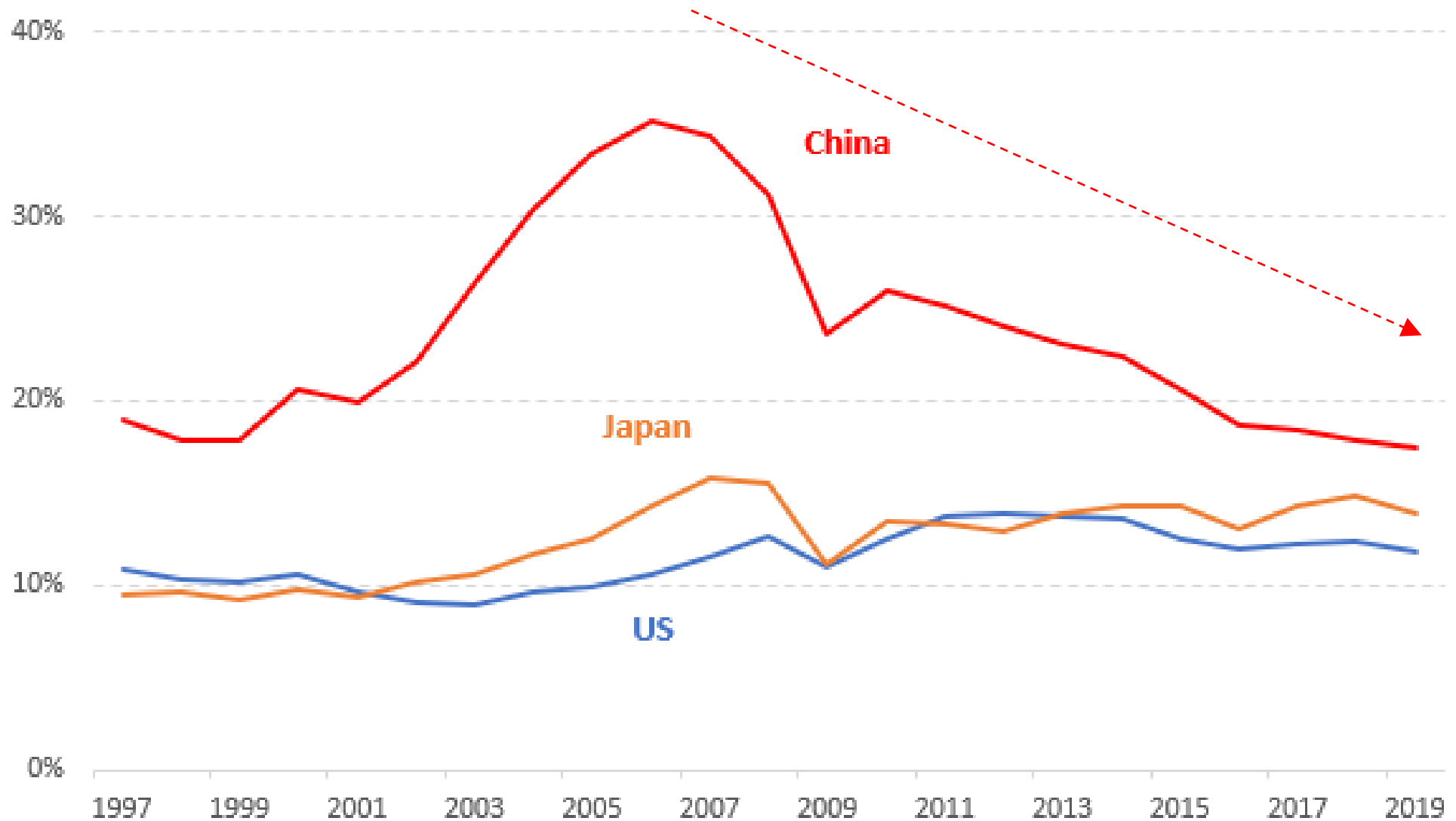


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# The key to shifting to a domestic demand-led economy



# Export / GDP ratio





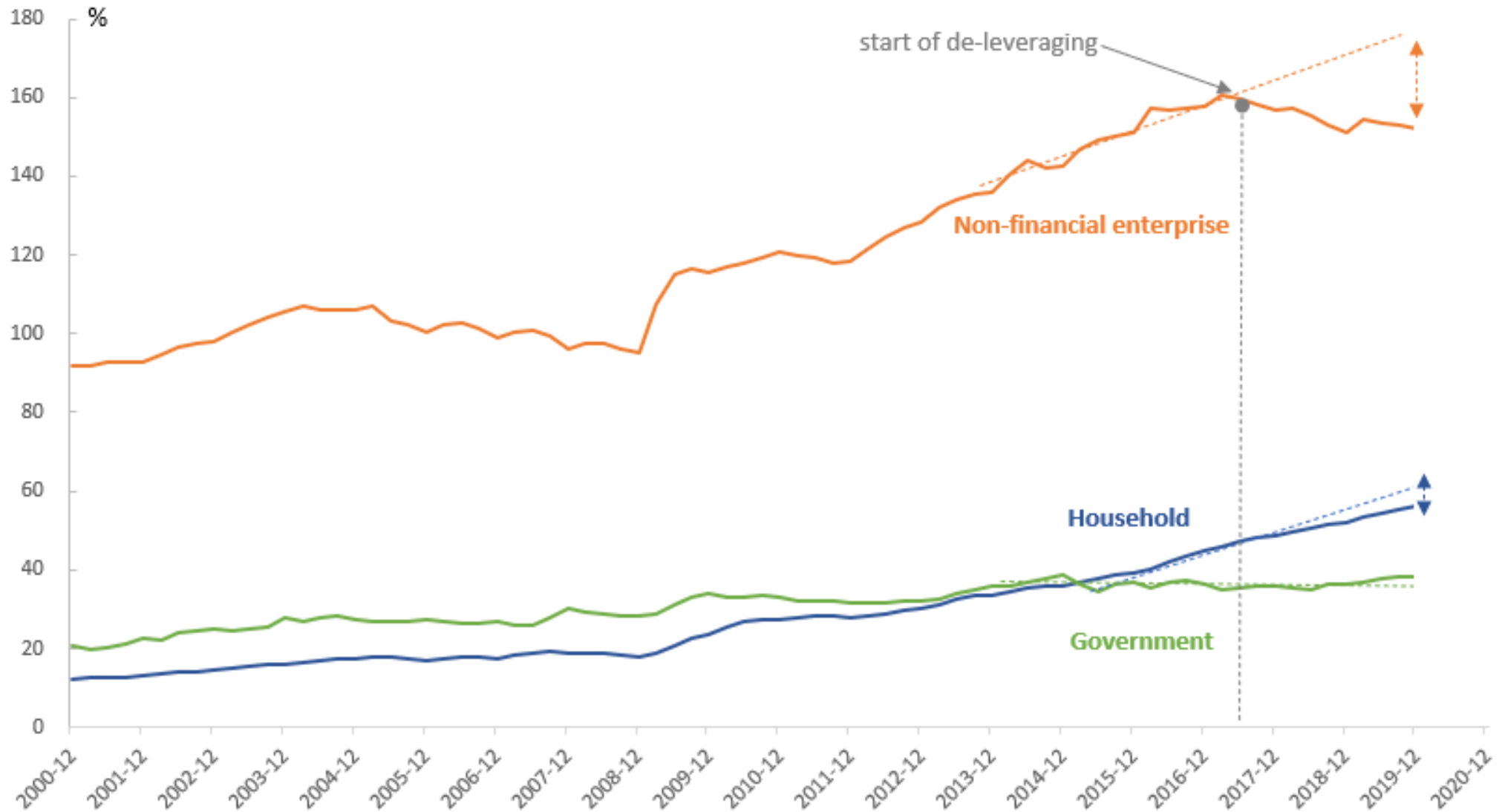
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# **Risks of the financial system associated with excessive debts.**



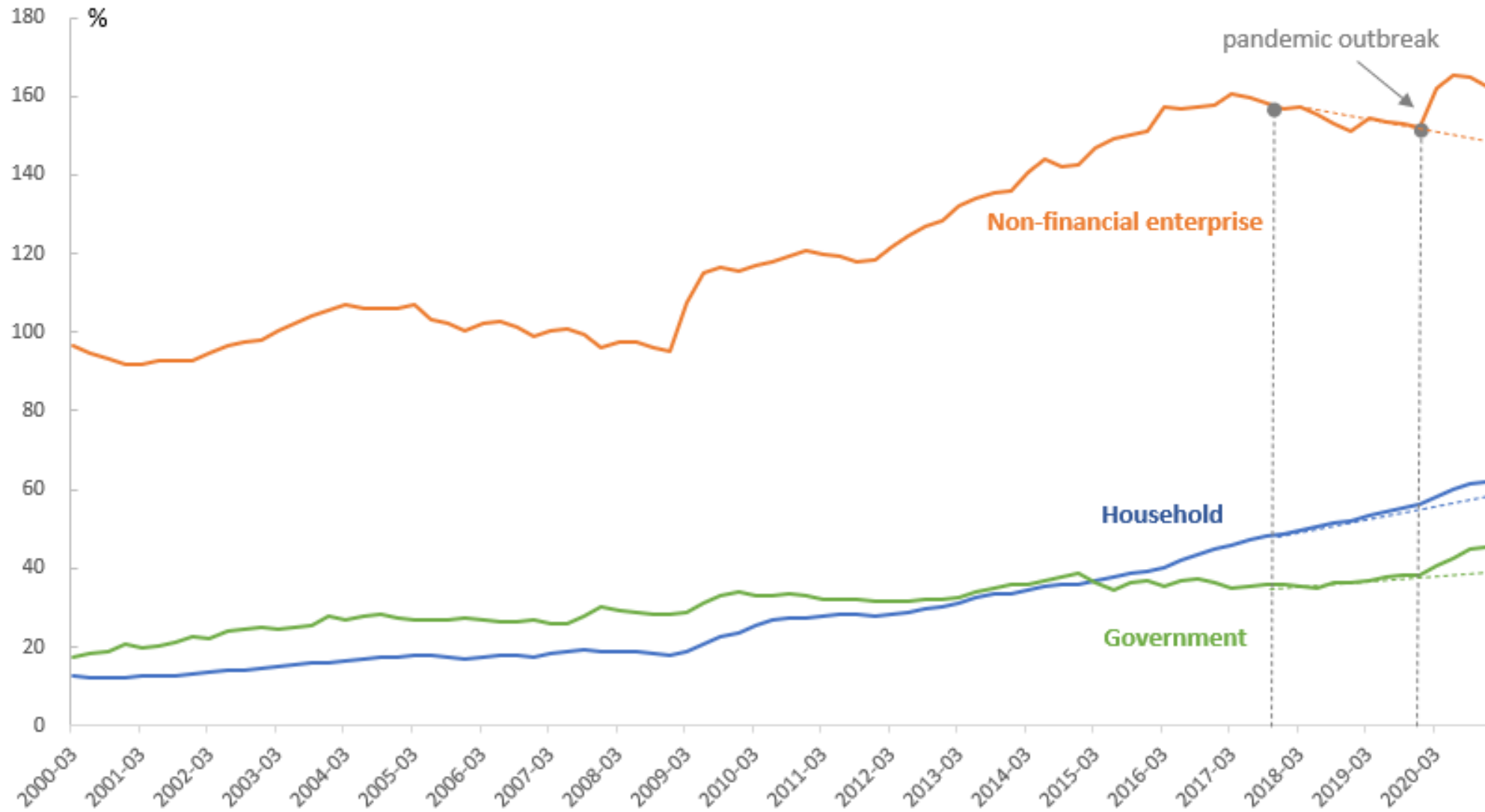


## Debt / GDP ratio of three sectors in China Paradigm shift since the middle of 2017





## Debt / GDP ratio of three sectors in China Paradigm shift since the pandemic outbreak





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Thank you !