



ASK THE EXPERTS

Will the Chinese Economy Surpass the U.S. Economy?

Foreign Affairs Asks the Experts

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Foreign Affairs has recently published a number of articles on the causes of China's economic stagnation, Beijing's consolidation of control over the economy, the effect of the COVID-19 pandemic on China's economic growth, and how the country's economic slowdown could hurt the world. To complement these essays, we asked a broad pool of experts for their take. As with previous surveys, we approached dozens of authorities with expertise relevant to the question at hand, along with leading generalists in the field. Participants were asked to state whether they agreed or disagreed with a proposition and to rate their confidence level in their opinion. Their answers are below.

DEBATE STATEMENT

The Chinese economy will eventually surpass the U.S. economy in size, using nominal GDP as the metric.



DISAGREE, CONFIDENCE LEVEL 8

Eswar Prasad

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China's economic growth is gradually slowing, weighed down by a combination of unfavorable demographics, an inefficient financial system, a huge overhang of explicit and implicit debt, and a lack of institutional reforms. These factors are likely to hold back productivity growth, which is the only way for China to generate growth in a sustainable manner. So China will keep growing but at a slower pace than over the last three decades. Weak institutions reflecting the absence of the rule of law, an open and democratic system of government, and central bank dependence will limit the currency's long-term appreciation against the dollar, making it harder for the country's nominal GDP to catch up to that of the United States at market exchange rates.