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China's economy is growing faster now than before the coronavirus pandemic

By **Gerry Shih**

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TAIPEI, Taiwan — A year ago, the coronavirus began spreading rapidly in China. Today, China's economy is bouncing back hard, and expanding even faster than it did before the pandemic.

Economic data published Monday showed China logged 2.3 percent growth for 2020, becoming the only major economy that grew during a year when the virus exacted a devastating global toll. As other major nations and geopolitical competitors, from the United States to Europe to India to Japan, struggle to beat back a winter wave, China's containment success has buoyed its economy and the ruling Communist Party's claims to global leadership in the post-pandemic world.

In a sign of how quickly China has managed a turnaround, the National Statistics Bureau said that gross domestic product rose 6.5 percent during the fourth quarter of 2020, exceeding the 6 percent pace at the end of 2019, before the coronavirus took hold. China's GDP surpassed a new milestone in 2020, topping 100 trillion yuan, or about \$15 trillion.

“In an extraordinary year, China's economy was able to record an extraordinary accomplishment,” Ning Jizhe, the head of the statistics bureau, told reporters. “It's a performance that is satisfactory to the people, watched by the world, and can be recorded in the annals of history.”

China's new GDP milestone, Ning added, reflected how “our country's economic strength, science and technology strength, and overall national strength have jumped to a new level.”

As President-elect Biden enters office this week, he'll be confronted with a China that does not seem diminished in economic health or international stature. Xi Jinping, the Chinese leader, recently struck a bullish tone during his New Year's Eve address, when he told his countrymen he was "proud of his great motherland" and the sacrifice and unity its people displayed to quickly beat back the coronavirus through strict lockdown measures and an all-hands mobilization of medical and manufacturing workers.

With the virus essentially contained by late spring 2020 — and only re-emerging on a small scale in recent weeks — Chinese sectors such as construction, heavy industry and export manufacturing were jump-starting last year just as other countries plunged into crisis.

In recent weeks, Chinese state media and its globe-trotting foreign minister, Wang Yi, have told world leaders from Myanmar to the European Union, as well as global investors, that China's fast recovery could lift the rest of the world. Thanks to Xi's leadership and diplomatic outreach, Wang claimed earlier this month, China "has brought hope for the world economy to step out of the doldrums."

"China's economy continues to power ahead with remarkable momentum, leaving other major economies, most of which are still struggling to register some semblance of growth, in the dust," said Eswar Prasad, a professor at Cornell University and former China director for the International Monetary Fund. "With its outstanding growth performance, China has cemented its position as the primary driver of what has so far been a dismal global economic recovery."

Last week, Chinese officials said exports hit an all-time high of \$2.6 trillion in 2020. Despite a bitter trade war with President Trump, China's trade surplus with the United States reached a record \$316.9 billion for the year.

Employment was also picking up as the economy created 11.86 million jobs during the year, the statistics bureau said.

The government sought to rally the domestic audience with the strong economic data. On Weibo, the People's Daily newspaper, Communist Party branches at institutions and influential commentary accounts all posted the news on Monday with the hashtag "Remember this beautiful V-shaped recovery!" to drive social media chatter.

China's economy only dipped into negative territory once, during the first quarter of 2020, when authorities locked down Hubei Province and its capital, Wuhan, and enforced softer lockdown measures in cities around the country.

The Chinese Academy of Social Sciences predicted this month that China could grow 7.8 percent in 2021 as it fully bounced back, a whopping rate reminiscent of China's explosive growth in past decades. But there's no guarantee China can continue its late-2020 surge if coronavirus cases take hold again.

So far, the Chinese government is trying its best to prevent a resurgence. Authorities have reinforced a lockdown over about 20 million residents in northern China, including several large cities near Beijing, following several small outbreaks.

Although the tough measures will help prevent new cases from spiraling out of control, they may crimp economic activity in industries such as travel in the short term.

"Reduced confidence and travel during the Chinese New Year holidays in February could hamper [first-quarter] growth," said Louis Kuijs, an economist at Oxford Economics, in a research note. "But, at least for now, we think the risk of major economic impact is low, given China's track record of containing outbreaks."

Chinese officials have canceled public events, large gatherings such as weddings, and unfurled street signs and publicity campaigns urging workers not to travel home during the Lunar New Year period, when hundreds of millions of citizens usually crisscross the country to visit family.

In northern Hebei Province, which surrounds Beijing, authorities have reported almost 700 cases since the beginning of January, in the worst flare-up since last spring.

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