

## China's newly set GDP growth target is a sign of strength

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OVER the first weekend of March China undertook its annual "two sessions" meeting and declared a GDP growth target of 5.5 percent. Although this was immediately seized upon by the Western mainstream media as being "the lowest in decades" — the goal comes amidst a plethora of global challenges of which are creating uncertainty in the global economy, adding to existing ones caused by the COVID-19 pandemic.

In the year of 2021, China recovered substantially and attained a GDP growth of 8.1 percent, leading to both national planners and economists to forecast this lower goal as growth returns to its normal trajectory. However, this is a sign of strength, as opposed to weakness, and demonstrates the resilience of the Chinese state in its ability to confront headwinds and continue national development unabated.

The Chinese economy is in a significantly better position than its counterparts in the West for a number of reasons. First of all, China achieved a full-scale economic recovery from the pandemic and ensured stability without having to resort to extreme-scale stimulus, as to which was seen in the US, the UK and the European Union.

Whilst these economies invested trillions in order to kickstart growth and consumption, China took a more conservative approach and still sustained growth momentum throughout 2020 and 2021. This has allowed the state to preserve its monetary tools for long-term gain at a

time when Western economies are suffering from high levels of inflation owing to their loose stimulus policies.

Whilst they will be forced to raise interest rates to tackle this, China does not.

Given this, the decision to opt for a 5.5 percent GDP growth rate in 2022 is a highly realistic goal only slightly below China's pre-pandemic trajectory, which seeks to achieve positive growth despite an ongoing range of challenges. As Western economies are peaking at their COVID-19 recovery trajectories and adopting these tighter monetary policies, it is natural and logic that growth rates all round will be lower.

However, there are now more headwinds in the mix. The situation in Ukraine has brought about surging energy, commodity and agricultural prices due to a forceful narrowing of the market, all of which will significantly dampen global growth further. In the case of Europe, growth will be adversely affected by the crisis. This will pose problems for China's imports and exports alike.

However, China continues to be in a sturdy position to deal with this. China is increasingly seen as a stable and safe-haven market for investors of which in the past two weeks has accelerated the flow of inbound capital. The Chinese yuan has surged to a 14-year high against the US dollar peaking at 6.31. This will improve China's import prospects against inflation and make the country an important driver of global growth for the year.

This comes at a time when similar to

2020, global markets are acting extremely turbulently owing to a chronic lack of certainty and security. China's domestic policies geared toward attaining domestic and economic stability thus act as an important bulwark for many, again making 5.5 percent an optimistic, as opposed to a pessimistic, target.

Given this, such a goal demonstrates that China has the capacity to steer its economy despite of an increasingly uncertain global environment and continue to make progress. It is finally worth nothing that Chinese growth targets as a whole tend to be conservative in nature, as opposed to being extremely optimistic. They plan for worst-case scenarios, not best-case scenarios.

In 2021, the target set by the government was in fact 6 percent, assuming in advance that COVID-19 and other factors would continue to pose global-scale economic disruption. The end result was as noted: 8.1 percent. As a result, Western media pessimism over this goal should not be interpreted as a climbdown from China's growth trajectory. In reality, the state continues to offer growth prospects which are above that of most of the world, showing how China's socialist market economy continues to be a highly well-organized, scientific and resilient system.

The author is a South Korea-based English freelancer. The views are his own.

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China will provide humanitarian aid supplies worth 5 million yuan (US\$791,000) to Ukraine and the first batch was shipped on Wednesday.

### China provides humanitarian aid supplies for Ukraine

AT the request of the Ukrainian side, the Red Cross Society of China will provide humanitarian aid supplies to the Ukrainian Red Cross Society, a Chinese Foreign Ministry spokesperson said Wednesday.

Spokesperson Zhao Lijian said at a daily press briefing that the supplies worth 5 million yuan (US\$791,000) include food and daily necessities.

"The first batch of supplies was shipped from Beijing on Wednesday," said Zhao, adding that the rest will be delivered to the Ukrainian Red Cross Society as soon as possible by appropriate means.

(Xinhua)

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