

# Contents

<b>1</b>	<b>Introduction</b> . . . . .	1
<b>2</b>	<b>A Review of China's Economy in the First Half of 2013</b> . . . . .	7
2.1	Economic Growth Slowed Down, Structural Imbalance Persisted . . . . .	8
2.2	Manufacturing Investment Growth Fell Sharply, Transportation Investment Grew Fast . . . . .	9
2.3	The Growth of Imports and Exports Was Weak, the Trade Surplus Continued to Expand . . . . .	10
2.4	The Growth Rate of Real Income Declined, the Growth of Domestic Consumption Slowed Down. . . . .	11
2.5	CPI Changed Smoothly, PPI Continued to Fall . . . . .	12
2.6	The Monetary Policy Was Tightening Gradually and the Fiscal Policy Was Fine-Tuning Actively . . . . .	13
<b>3</b>	<b>Forecast of China's Economy During 2013–2014</b> . . . . .	17
3.1	Improvements of CQMM. . . . .	17
3.1.1	Introducing Production Function and Measuring the Output Gap. . . . .	17
3.1.2	Improvement of the Fiscal Module . . . . .	18
3.2	Assumptions of Exogenous Variables . . . . .	18
3.2.1	Economic Growth Rates in the Euro Zone and the U.S. . . . .	18
3.2.2	Major Exchange Rates . . . . .	19
3.2.3	The Growth Rate of Broad Money Supply (M2) . . . . .	20
3.3	Forecasts of China's Major Macroeconomic Indicators for 2013–2014 . . . . .	21
3.3.1	Forecast of GDP Growth . . . . .	21
3.3.2	Forecasts of Major Price Indices . . . . .	21
3.3.3	Forecasts of the Growth Rates of Other Major Macroeconomic Indicators . . . . .	22
3.3.4	Forecast of the Growth Rate of Government Revenue . . . . .	26

<b>4 Policy Simulation</b> .....	29
4.1 The Policy Simulation Designs .....	33
4.2 The Policy Simulation Results .....	34
4.2.1 The First Scenario: All the Reduced Non-tax Revenue Would Be Transferred to Enterprises to Increase Their Profit. ....	34
4.2.2 The Second Scenario: All the Reduced Part of Government Non-tax Revenue Would be Transferred to Employees to Increase Their Wages .....	36
<b>5 Policy Implications</b> .....	43
5.1 Policy Implications and Suggestions .....	43
<b>Appendices</b> .....	47
Appendix 1: Comments and Discussions .....	47
Appendix 2: A Survey on China's Macroeconomic Performance in 2013 .....	54



<http://www.springer.com/978-3-642-54220-6>

China's Macroeconomic Outlook  
Quarterly Forecast and Analysis Report, August 2013  
2014, IX, 59 p. 31 illus., 29 illus. in color., Softcover  
ISBN: 978-3-642-54220-6