

China's economy grew faster than expected in 2020

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Beijing, January 19 (RHC)-- While much of the world struggles with the resurgent coronavirus, and the economic pain it is bringing, China has recorded a positive growth rate for 2020, likely making it the only large economy to do so.

But with many of its export markets now facing renewed restrictions as their COVID-19 cases rise, some analysts have predicted China may not be able to sustain the rapid rebound it posted late last year.

For the whole of 2020, gross domestic product (GDP) expanded by 2.3 percent compared with 2019, according to China's National Bureau of Statistics, faster than the 1.9 percent growth rate projected by the International Monetary Fund in its October 2020 forecast.

After the virus emerged in the central Chinese city of Wuhan in late 2019, it quickly spread, forcing authorities to lock down much of the country and its economy.

GDP shrank by 6.8 percent in the first quarter of last year compared with the same period in 2019, but as lockdowns were lifted, it rebounded by 3.2 percent in the second quarter. It accelerated to 4.9 percent and then 6.5 percent in the third and fourth quarters of 2020 respectively. The fourth quarter growth rate exceeded the median forecast of 6.1 percent in a poll of economists carried out by the Reuters news agency.

"The strengthening momentum of China's economic rebound during [the fourth quarter of] 2020 reflected improving private consumption expenditure, as well as buoyant net exports," Rajiv Biswas, chief Asia-Pacific economist at research firm IHS Markit, told Al Jazeera in an email.

A combination of improving private consumption and growing overseas demand drove China's growth rate higher in the fourth quarter, analysts said. "China's exports of medical equipment and electronics have grown very strongly in recent months, boosted by ongoing pandemic-related demand for [personal protective] equipment and computers and mobile devices for working from home," Biswas said.

Some analysts have questioned the veracity of Chinese economic data, but research firm Capital Economics said the latest figures appear to accurately reflect a sharp rebound in the fourth quarter.

"Our in-house measure, the China Activity Proxy (CAP), also points to a marked pick-up in growth last quarter despite showing a deeper downturn earlier in the year," Julian Evans-Pritchard, senior China economist at Capital Economics, said in a note sent to Al Jazeera.

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