

## Introduction

China is a country in East Asia bordering the East China Sea, Korea Bay, and the South China Sea. Neighboring countries include 14 sovereign states. The terrain is diverse in China with mostly mountains along with deserts in the west and plains in the east. Principal rivers flow west to east including the Yangtze and Huang He rivers. The government system is a communist state;

the chief of state is the president, and the head of government is the premier. China has a market-based system, changed from a centrally planned system in the 1970s. China is a member of the Asia-Pacific Economic Cooperation (APEC) and the Asia-Pacific Trade Agreement (APTA).



**Location:** Eastern Asia

**Capital City:** Beijing (+8 GMT)

**Chief of State:** President Xi Jinping

**Head of Govt.:** Premier Li Qiang

**Currency:** Yuan (CNY)

**Major Languages:** <p>Standard Chinese or Mandarin (official); Putonghua, based on the Beijing dialect), Yue (Cantonese), Wu (Shanghainese), Minbei (Fuzhou), Minnan (Hokkien-Taiwanese), Xiang, Gan, Hakka dialects, minority languages (see Ethnic groups entry); note - Zhuang is official in Guangxi Zhuang, Yue is official in Guangdong, Mongolian is official in Nei Mongol, Uyghur is official in Xinjiang Uyghur, Kyrgyz is official in Xinjiang Uyghur, and Tibetan is official in Xizang (Tibet)</p>

**Primary Religions:** <p>folk religion 21.9%, Buddhist 18.2%, Christian 5.1%, Muslim 1.8%, Hindu &lt; 0.1%, Jewish &lt; 0.1%, other 0.7% (includes Daoist (Taoist)), unaffiliated 52.1% (2021 est.)</p>

**Calling Code:** 86

**Voltage:** 220

## Key Websites

Main Government Page: [english.gov.cn](http://english.gov.cn)

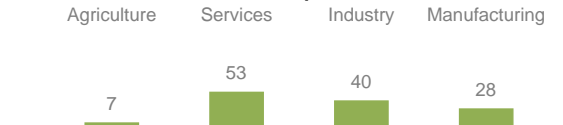
Commerce Ministry: [english.mofcom.gov.cn](http://english.mofcom.gov.cn)

Investment Promotion Agency: [fdi.mofcom.gov.cn](http://fdi.mofcom.gov.cn)

## Key Economic Facts

Income Level (by per capita GNI):	Upper Middle Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$30,327.32 billion (2022)
GDP growth (annual %):	2.99% (2022)
GDP per capita, PPP (current international \$):	\$21,475.61 (2022)
External debt stocks, total (DOD, current US\$):	\$2,702,504,713,266.60 (2021)
Manufacturing, value added (% of GDP):	27.70% (2022)
Current account balance (BoP, current US\$):	\$401.86 billion (2022)
Inflation, consumer prices (annual %):	1.97% (2022)
Labor force, total:	781,831,676 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.89% (2022)
Imports of goods and services (current US\$):	\$3,137.59 billion (2022)
Exports of goods and services (current US\$):	\$3,714.25 billion (2022)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	65 / 178
EY Globalization Index	44 / 60
Global Competitiveness Index	28 / 141
Global Enabling Trade Index	61 / 136
Global Manufacturing Competitiveness Index (GMCI)	1 / 40
Global Services Location Index	2 / 60
Index of Economic Freedom	153 / 176
International Logistics Performance Index (LPI)	26 / 160
Inward FDI Potential Index	32 / 139
KOF Index of Globalization	71 / 185
Networked Readiness Index (NRI)	59 / 139
Open Budget Index	95 / 114

## Risk Assessment (Provided by Coface)

**Country rating: B** - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

**Business Climate rating: B** - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

### Strengths

- Sovereign risk contained as public debt remains mainly domestic and denominated in local currency
- Reduced risk of (private) external over-indebtedness thanks to the high level of foreign exchange reserves
- Gradual strengthening of global value-chains as part of China 2025
- Dynamic services sector, led by e-commerce trends
- Good level of infrastructure
- Increasing presence in emerging and developing countries through the BRI

### Weaknesses

- High corporate indebtedness set to impact growth potential
- Reliance on imports of key technology components
- Current account surplus expected to narrow and eventually turn into a deficit
- Misallocation of capital to the SOE sector could erode long-term potential growth
- Ambiguous government strategy for arbitrating between reform and growth
- Aging population, resulting in high public expenditure and higher labor costs
- Environmental issues
- Increasing complex and uncertain external environment
- Risks that the real estate bubble bursts
- Unclear political succession plans

## U.S. Embassy

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