

CHINA IN NUMBERS (June 2014)

Contents

- Trade and Investment
- Renminbi Internationalisation
- <u>Economy</u>
- Visas and Consular
- Consumption Behaviour
- Natural Resources and Energy Consumption
- Environment and Climate Change
- Science & Innovation
- Intellectual Property
- Health
- Education
- Geography and demography
- <u>Development</u>
- Law and society
- Defence

Please get in touch with any questions, comments or suggestions. Our details are:

- Zheng Weiwei zheng.weiwei@fco.gov.uk (+86 10) 5192 4279
- Henry Bell henry.bell@fco.gov.uk (+86 10) 5192 4493

To view other reporting, please visit: https://www.gov.uk/government/collections/fco-political-and-economic-updates#china

Trade and Investment

- The most recently available monthly and annual trade data from the ONS suggests that:
 - UK goods exports to China reached £12,400mn in 2013, growing by 17 percent between year-on-year and by 63 percent since 2010. UK goods imports from China reached £33,394mn in 2013, growing by 6 percent year-on-year and by 9 percent since 2010.
 - In March 2014 the UK exported £1,204mn worth of goods to China, an 18 percent rise on March 2013 and 109 percent higher than the equivalent figure for March 2011 (£575mn).
 - In March 2014 the UK imported £3,582mn of worth of goods from China, a 30 per cent rise on March 2013 and 44 percent higher than the equivalent figure for March 2010 (£2,482mn).
 - UK China trade in services in the 2013 were stable compared to 2012, with £3.3bn of export to China and £1.3bn of import from China.
- In 2013, China was the UK's 7th largest market for exports. Chinese data show the UK is China's 3rd largest source of imports, behind Germany and France.
- The most recently available Chinese data on outward investment (published in August 2013) estimate that in 2012 the UK was 4th most popular destination for Chinese outward investment (behind Hong Kong, the US and Kazakhstan), up from 8th place in 2011 and 21st place in 2010. The flow of investment to the UK was estimated at \$2.77bn in 2012, up 95 percent on the previous year.
- Chinese data estimate that the UK is China's second largest investor (after Germany), with cumulated direct investment of \$18.76bn. In the other direction it is estimated that by the end of 2012 China had invested a total of \$8.75bn in the UK.
- China's outward investment rose to \$90.2bn in 2013, increasing by 16.8 percent on 2012 (and relative to around \$30bn in 2007). OFDI is targeted to rise by a further 10 percent in 2014, reaching \$99bn. The UN estimate that the stock of Chinese investment at the end of 2012 was equivalent to only 10.2 percent of US', 29.4 percent of UK's, and 34.5 percent of Germany's outward FDI stock.

Top

Renminbi (RMB) Internationalisation

- Industrial and Commercial Bank of China issued 2bn RMB bond in London in November 2013. In January 2014, Bank of China London issued 2.5bn RMB bond, the biggest one so far.
- In January 2014, UK asset company Ashmore became the 1st foreign company outside of Greater China to receive RQFII license – a license to allow the investment of offshore Renminbi into China's bond and equity markets.
- London had a good growth rate of 203% year-over-year on RMB payment value from 2013 showed by SWIFT RMB tracker in April 2014.
- RMB strengthened its position as the seventh-ranked global payments currency with a new record-high activity share of 1.62% (from 1.42% in February 2014).

Top

Economy

The Chinese economy has grown at just under 10% a year for 32 years.

- China's GDP reached RMB56.88trn (approximately \$9.3trn) at the end of 2013, having increased by 7.7 percent year-on-year. At the end of 2010, China displaced Japan as the world's second largest economy. According to IMF estimates, China's economy in US\$ terms is now around 50 percent larger than the Japanese economy and approaching four times larger than the UK economy.
- China will overtake the US by the end of 2014 to become the world's largest economy in purchasing power parity (PPP) terms, according to the International Comparison Programme.
- According to the World Bank, China's GDP per capita in 2012 was \$6,091. This ranked 79th in the world, in between Iraq and the Dominican Republic.
- The 2014 Forbes Billionaires List reported that China had 152 US\$ billionaires (up by 30 people from 2013), 9% of the world total and 2nd after the US (492 people).
- FT calculated that the average wealth of the richest members of the National People's Congress and the Chinese People's Political Consultative Conference increased more than four times over the past eight years, compared with a rise of less than three times for the country's 1,000 wealthiest.
- In 2013, the Gini coefficient of per capita income reached 0.47. The OECD estimate that income inequality peaked in 2008, and has declined slightly since.
- China has the world's largest foreign exchange reserves, reached \$3.95trn in the end of Q1 2014 larger than any single economy except the US, Japan and China itself (the UK economy is approx \$2.4trn). Around \$1.3trn of China's reserves is held in US Treasuries.

Top

Consumption

- China is the world's largest car market. By the end of 2013 the number of motor vehicles reached 126.8 million in China. China produced 22 million cars in 2013.
- In 2014Q1, 35 percent (98 million) of all smartphone sales took place in China.
- Cinema theatre box office sales in 2013 neared RMB 21.8bn, up from RMB 860 million in 2002. As of April this year, there were 20,285 screens in China, compared to 1,581 in 2002.
- According to the United Nations, Chinese tourists spent \$102bn on foreign travel in 2012, the world's top. By estimates of Morgan Stanley and McKinsey, total Chinese spending abroad will reach \$194bn a year and exceed total global luxury sales by 2015.
- Chinese spending on e-commerce has increased by an average of 70 percent per year since 2009.
 Bain Consultancy estimate the market will be worth \$550bn in 2015. This year, the IPO of the top Chinese e-commerce sites such as Alibaba and JD.com will take place in the international market; the Alibaba IPO is expected to be bigger than Facebook's.
- As a result of President Xi Jinping's crack-down on ostentatious consumption by government officials, spending by central government on overseas visits, official vehicles and official hospitality fell by 35 percent in 2013. Equivalent spending by local government fell by 26 percent.
- 1 in 3 glasses of apple juice drunk worldwide are produced using apples from Shaanxi, China.
- Gieves & Hawkes make more money from their Taiyuan branch (27th largest city in China by

population) than anywhere else in the world.

• 17% of the world's tomato ketchup is produced by the Xinjiang Production and Construction Corps, a paramilitary conglomerate with a population over 2.6 million.

Top

Visas and Consular

- 96% of Chinese who apply for a visa receive one. Average processing times for a non-settlement visa in China was just over 7 working days in 2013.
- The numbers of UK visas issued to Chinese nationals continue to rise. In 2013, UKVI issued 373,475 visas a 31% increase on 2012; with 291,919 visit visas to Chinese, a 39% rise on 2012.
- UK has 12 Visa Application Centres across China, more than any other country outside Asia. They
 are in Beijing, Chongqing, Chengdu, Fuzhou, Guangzhou, Hangzhou, Jinan, Nanjing, Shanghai,
 Shenyang, Shenzhen and Wuhan.
- Over 18,000 British residents registered with PSB in China, an increase of 11.5% on 2012 (and up 43.16% since 2009). Over a third of Brits in China live in Shanghai (6,136).

Top

Natural Resources and Energy Consumption

- China is the world's largest producer and consumer of coal. China accounted for over 50 percent of the world's consumption in 2013.
- China became world's largest crude oil importer in 2013, exceeding the US.
- China's total installed power capacity reached the top of the world at the end of 2013, at 1,250 GW.
- China has 20 nuclear reactors in operation, accounting for 1.4% (17 GW) of China's electricity production capacity. Another 28 nuclear plants are under construction and more about to start construction or in plan. The total nuclear capacity is set to rise to at least 58 GWe by 2020, then 150 GWe by 2030, and much more by 2050.

Top

Environment and Climate Change

- Natural disasters including droughts, floods and earthquakes cost China RMB421bn (\$69bn), 0.7% of GDP in 2013, nearly double the total in the previous year.
- China added the equivalent of 100% of the UK's entire power generation capacity in 2012. To meet projected electricity demand in 2015, China needs to build the rough equivalent of the UK's total installed capacity each year in the next 3 years.
- China's investment in clean energy in 2013 was \$54.2bn, the highest in the world.
- China has been the world's biggest emitter of greenhouse gases (GHG) since 2007. China's per capita emissions doubled between 2003 and 2012, to reach 7.2 tonnes per person (the European average of 7.5 tonnes). On a per capita basis, China emits 4.5 times more carbon than India.
- Government measures during the 11th Five Year Plan (2006-2010) led to savings of around 1.5

gigatonnes of CO2 (UK annual emissions are around 0.45 gigatonnes). Targets for the 12th Five Year Plan (2011-2015) could lead to a cumulative saving between 2006 and 2015 of 3 gigatonnes.

• China plans to invest more than \$286bn in renewables and \$376bn in energy efficiency during the 12th Five Year Plan period.

Top

Science & Innovation

- China's research and development (R&D) spending has grown by 20% per year since 1999, and reached RMB 1.02trn (£102bn) in 2012, accounting for 1.97% of GDP, and on target of reaching 2.2% of GDP by 2015.
- China is the world's second largest publisher of research. Royal Society estimates that it will overtake the US on this measure before 2020.
- In 2011 the UK overtook Japan to become second only to the US in the number of its joint research publications with China.
- Science collaboration between China and the UK is growing fast. At the UK-China Summit in December 2013, the Prime Minister announced a new UK China Joint Research and Innovation Fund worth £200m over the next five years.
- China is the third country to have put a man in space. China launched its first space laboratory, Tiangong 1, in 2011 and plans to use this to develop a full scale orbital space station by 2020.

Top

Intellectual Property

- China is the world's biggest filer of patents. In 2013, China received over 2.4 million patent applications. This included 825,000 invention patent applications, of which 85.5% were from domestic applications.
- China is the world's biggest filer of trademarks. In 2013, China received 1.88 million trade mark applications. 92% of applications were from domestic applicants.
- China now hears more IP cases than any other country. Around 88,583 first instance IP cases were heard by civil courts across China in 2013. Around 1.9% of IP cases involve companies or individuals from outside Mainland China
- In 2013, bank lending based on patents (including invention, utility model and design) reached RMB 25.4bn (£2.5bn); bank lending based on trademarks reached RMB 40.2bn (approx. £4.2bn); bank lending based on copyright reached RMB 3.2bn (£320 million). The overall bank lending based on IP reached RMB 68.8bn (£6.88bn) in 2013 and are growing at a rate of over 70% per year.

Top

Health

- China aims to increase the gross value of health service sector to over RMB 8trn (£813bn) by 2020.
- China's pharmaceutical market has grown annually at a rapid rate of 5% for the past five years. The
 market is likely to reach RMB 1.9trn (£194bn) in 2020. On average, sales in China by the top 10
 multinational pharmaceutical firms accounted for 3.8% of their global business in 2012.

- Between 1970 and 2012, male life expectancy in China increased from 60.4 years to 74 years;
 female life expectancy from 63.5 years to 76.5 years.
- 84.3% of China's deaths (7 out of 8.3 million) are due to non-communicable diseases. Lung cancer
 cases in Beijing have increased by more than 50% in the last decade.
- Air pollution causes 350,000 to 500,000 premature deaths a year on the mainland, the fourth biggest threat to health of Chinese people (behind heart disease, dietary risk and smoking).

Top

Education

- The fiscal spending on education in 2012 (including central and local government spending) was around RMB 2,770bn (£277bn), an increase of 16.03% over the previous year, accounting for 4.28% of the national GDP.
- China had around 7 million annual new university enrolments in 2013, up from 1 million in 1998. The total enrolment in higher education was around 24.68 million, up from 3.4 million in 1998.
- In 2013, nearly 413,000 Chinese students went overseas to study, up from 17,000 in 1998 and more than 353,300 Chinese students returned to China from overseas, up from 7,000 in 1998.
- There are currently over 135,000 Chinese students (from Mainland, Hong Kong and Macau) studying in the UK with over 100,000 undertaking Higher Education courses. In 2013, over 5,400 UK students came to China to undertake full time courses or short-term programmes.
- The UK has the largest number (over 230) of joint education programmes approved by the Ministry of Education. Over 42,000 Mainland Chinese students are following UK qualifications within China.

Top

Geography and demography

- China is either the 3rd or 4th largest country in the world (depending on definitions of territory). China has 20 percent of the world's population, 9 percent of arable land and 6 percent of water.
- As of end 2013, China's population reached over 1.36bn made up of 56 ethnic groups, dominated by the Han (around 90%). China's population is likely to be overtaken by India's in 2025.
- There were 269 million internal migrant workers in China at the end of 2013.
- China's urbanisation rate increased from 10.6% in 1949 to 53.7% in 2013. By 2030 the urbanisation rate is expected to rise to around 65%. This implies the urban population increasing by around 13 million per year for the next 18 years.
- McKinsey reckon that China's economic transformation is happening at 100 times the scale of the
 first country to urbanise the UK and at 10 times the speed. By 2030, they predict that there will
 be 221 cities in China with a population of more than 1 million, compared with 35 such cities in
 Europe today (and 120 in China today).
- China since the turn of the century has built residential property equivalent to the entire housing stocks of the UK, Germany and France combined.

 HSBC reckon there are currently around 80 Chinese cities with a population of over 5 million with no system of mass transportation.

Top

Development

- Between 1985 and 2010, 70% of the world population who had been lifted out of poverty were Chinese. Without China, the global poor population would have risen by 58 million.
- 16.5 million rural Chinese were lifted out of poverty in 2013, supported by a 9.3 percent rise in real rural incomes.
- Two-way trade between China and Africa increased from \$11bn in 2000 to over \$200bn in 2012.
 The share of total exports from Least Developed Countries (LDCs) going to China increased from 10% in 2000 to 27% in 2010.
- China proposed to establish Asian Infrastructure Investment Bank to promote interconnectivity and economic integration in the region, with a preliminary capital scale of \$50 billion from the members.

Top

Law and society

- The Communist Party of China has more than 85 million members, over 76% of whom are men. Party cells exist in all official and quasi-official organisations, and there are around 400,000 Party cells in private businesses and foreign-owned enterprises.
- At the end of 2013 there were over 536 million registered users on Sina Weibo (a Chinese platform equivalent of Twitter) and over 100 million new messages posted per day. The Chinese authorities have over 100,000 Weibo channels.
- The most popular topic on Sina Weibo in 2012 was London Olympics 2012, which generated almost 4 times the number of posts as Gangnam Style (the third most popular topic).

Top

Defence

- China's published military spending was an estimated \$112bn in 2013. By comparison, the US spent an estimated \$600bn and the UK spent an estimated \$57bn. China's was the 2nd largest defence budget (US was 1st and UK was 5th).
- China has the largest number of military personnel in the world, however estimates vary on total manpower from 2,500,000 to 3,085,000 (including reserves and militias). By comparison, the US military personnel stand at approximately 70% of China's total; and the UK at 10%.
- China has supported 30 Peacekeeping Missions since 1989 (Mali being the latest deployment). China provides approx. 2000 peacekeepers in support of UN missions each year.
- Estimates suggest the PLA Navy hold 69 submarines. The UK hold 11 and the US hold 72.
- In 2011 and 2012, the PLA held 21 joint exercise and training events with foreign militaries, compared to 32 during the entire 11th Five-Year Plan period (2006-2010).

Top