

Peking University HSBC Business School
Autumn 2014-Module 1

Introduction to Chinese Economy- a Global Perspective

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Text:

Edwin Lim and Michael Spence, 2011, Thoughts and Suggestions for China's 12th Five-Year-Plan from an International Perspective, China CITIC Press.

Zhiyong Tu and Lan Ju, 2013, Chinese Financial Alternative Investments, Peking University Press.

Course Content and Objective:

Chinese economy has achieved a continuously high growth since 1978. It attracts the global attention both from the academia and the industry. Recently, there is a rising concern on the sustainability of China's growth as its growth rate has started to slow down after 2008.

I hold that the reform and opening is the driving force of Chinese economy since 1978, and Chinese economy still possesses adequate growth potential after 2008. However, the future focus shall be directed to the reform of financial sector and social policies.

This course tries to expand on my above premise, providing a complete picture of the Chinese economy (past and future). There are three distinctive features of this course. First, I will put the introduction of Chinese economy in a global backdrop, thus revealing not only the Chinese characteristics but also suggesting the general principles across cultures. Second, I will give a sizeable part of the course to the financial sector in China. Third, I will organize the course around 36 small topics, and expand on them by lecturing, presentation and discussion.

After this course, students shall obtain a thorough understanding of Chinese economy, as well as gain the skills to find relevant data and form opinions. Preferably, students may find their interested topics for the future research.

Grading Policy:

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| Presentation | 30% |
| Midterm | 30% |
| Final | 40% |
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| | 100% |

Academic Honesty:

Academic dishonesty discourages learning. Therefore all students are expected to abide by the code of academic honesty of PHBS, and to interact with one another respectfully, fairly, and honestly. Known instances of academic dishonesty will be prosecuted through the University's judiciary system.

Main Topics

| Topics on Chinese Economy | |
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| 1 | Course overview and targets |
| <i>Economics related</i> | |
| 2 | Plan vs. market system |
| 3 | Analyzing GDP |
| 3 | State-owned enterprise reform |
| 4 | Integration into the world economy/WTO |
| 5 | Fiscal system |
| 6 | Investment system |
| 7 | Manufacturing industry |
| 8 | Consumption |
| 9 | Employment and labor market |
| 10 | Urbanization and migration |
| 11 | Regional disparity |
| 12 | Real estate industry |
| 13 | Pension system |
| 14 | Social policies: education, medicine, etc |
| 15 | Global governance |
| <i>Finance related</i> | |
| 16 | Central bank and monetary policy |
| 17 | Interest rate and exchange rate reform |
| 18 | Bond |
| 19 | Equity |
| 20 | Development of derivatives |
| 21 | Asset management in China |

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| 22 | Commercial banks |
| 23 | Non-bank financial institutions |
| 24 | Financial innovation |
| 25 | Financial regulation |

Note: the 36 presentation topics will be provided in the first class.