



Report on People's Republic of China

中华人民共和国

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INTRODUCTION

China has become a prominent participant in international affairs due to its rapidly growing economy and expanding influence. As a vital member of the G-20, an association consisting of the most influential economies worldwide, China plays a crucial role in shaping global economic policies and strategies. The purpose of this paper is to analyse several factors, leading to China's contributions within the G-20, emphasising how its active involvement and distinct perspective have not only brought advantages to the nation but also promoted stability and progress in the global economy. China possesses a multitude of geographically diverse regions, each with its own distinct economic activities and valuable resources.

GEOGRAPHY

With an array of regions, each with its own unique set of economic advantages and abundant resources, China is home to a wealth of diverse opportunities.

The plain's characteristic flatness exacerbates its vulnerability to flooding. The economic engine of agriculture relies on the cultivation of crops including wheat, cotton, and peanuts.

Famous for its dust storms, the Loess Plateau brims with productive soil that demand irrigation. Cities in this area have become centres for trading with Central Asia, and oil has developed into a substantial resource.

Shanghai and nearby areas derive significance from the warm ocean current in the Southeast Coast. A major port city, Shanghai also booms with industrial activities, complemented by fishing and farming sectors.

The Yangzi Valley's prosperity hinges on the river's multifaceted role in commerce, transportation, and production.

The fertile earth of the Sichuan Basin makes it suitable for growing an array of plants, including tea and medicinal herbs. The area sees substantial tourist traffic.

Across the rugged landscape of the Southwest Uplands, grazing, rice farming, tin mining, and opium cultivation all find a home.

Rich in oil and other natural resources yet striking a balance with the arid desert landscape. Notwithstanding, tourism in this location is enjoying increased growth.¹

¹ McColl, R. W. (n.d.). *Understanding the geography of China*. Asia Society.
<https://asiasociety.org/education/understanding-geography-china>

DEMOGRAPHY

Total population- 1,412,175.00

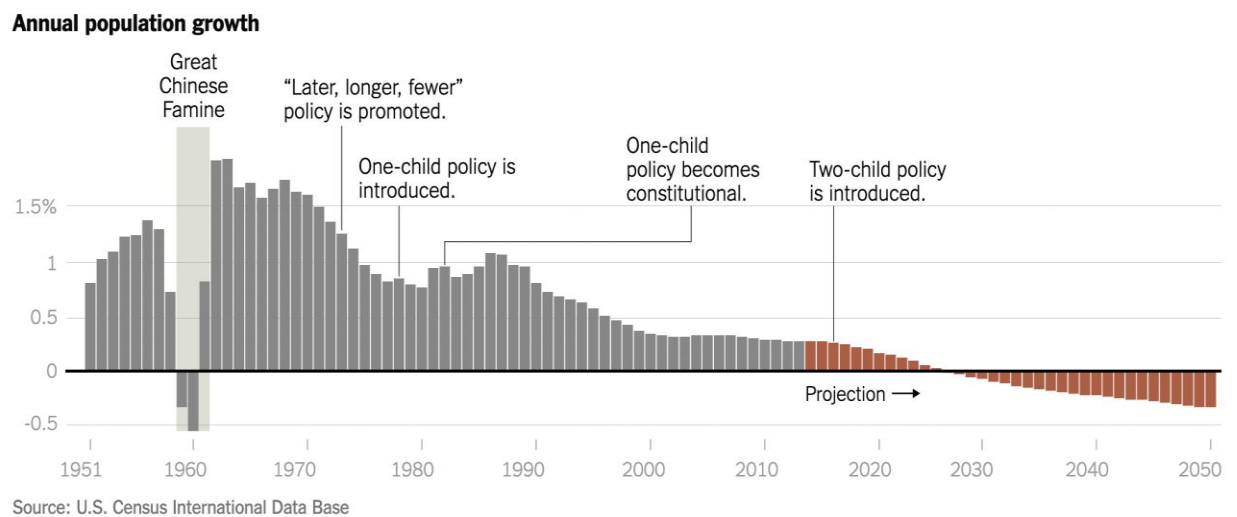
Total labor force- 781,831,676

Total male population- 720,646,499

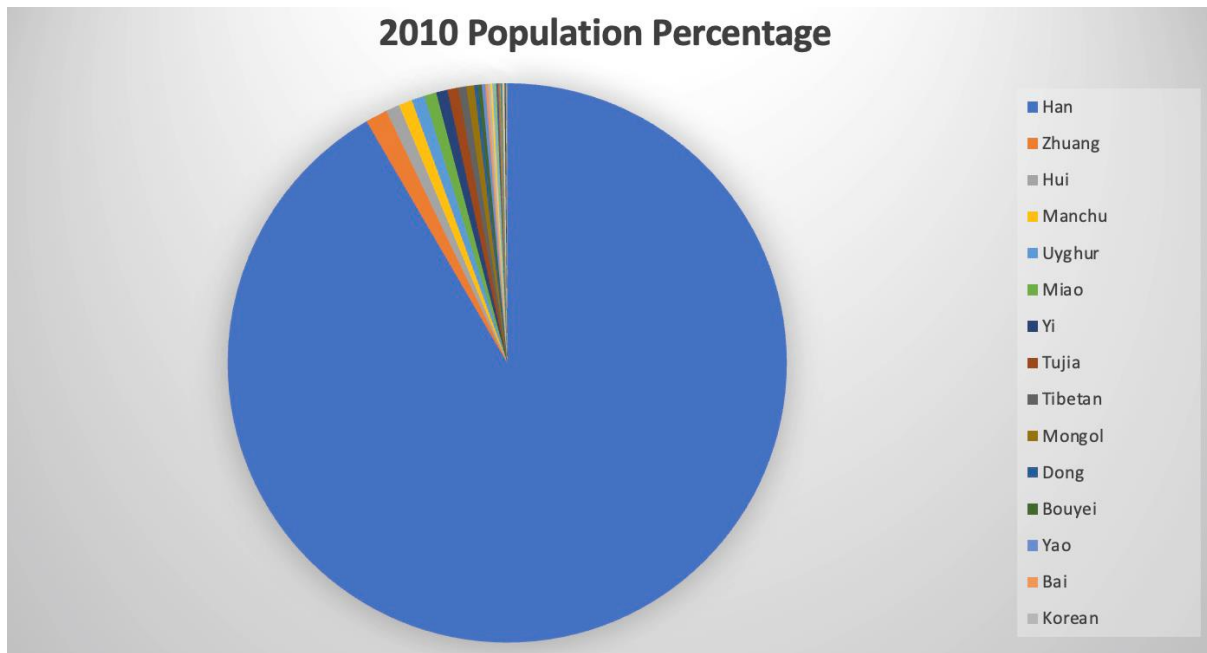
Total female population- 691,528,501

Average life expectancy- 78

(Data as per 2022 reports)²



² *Population, total - China*. World Bank Open Data. (n.d.).
<https://data.worldbank.org/indicator/SP.POP.TOTL?locations=CN>



*Ethnic Composition of Peoples Republic of China³

With a significant decrease in population occurring, China may encounter varied complications in the near future, encompassing demographic, economic, and political challenges. In an effort to contain its fast-growing population, China has put in place measures like restricting families to one child. While policies may yield short-term benefits, their downstream consequences could usher in a period of population reduction.

The Chinese Academy of Social Sciences report indicates that while China's "one child" policy slowed population growth, it brought novel challenges for the government. As these factors collide, a worker shortage threatening to strain an aging population will ensue. The academy forecasts that the population decrease will likely start in 2027, although some have competing theories.

³ 中国各民族名称的罗马字母拼写法和代码国家标准 中国民族--56个民族---少数民族. (2009). <https://web.archive.org/web/20091101182121/http://mz.china.com.cn/?action-viewnews-itemid-4643>

The impending demographic shift presents a formidable obstacle to China's unprecedented economic growth over 40 years.

ECONOMY

Current GDP- \$17,963,170.52 (in millions)

GDP per capita- \$12,556.33

In 2021, China's economy stood at number two in GDP (current US\$), with the top spot in exports and second place in imports. Its GDP per capita (current US\$) fell in the 58th spot, while its Economic Complexity Index (ECI) ranked 25th for the most complex economies globally.

Import- Export:

Foreign Trade Values	2017	2018	2019	2020	2021
Imports of Goods (million USD)	1,843,793	2,135,748	2,078,386	2,057,217	2,688,634
Exports of Goods (million USD)	2,263,345	2,486,695	2,499,457	2,590,221	3,363,835
Imports of Services (million USD)	464,133	520,683	496,967	377,528	441,312
Exports of Services (million USD)	226,389	269,697	281,651	278,084	392,198

Source: World Trade Organisation (WTO) ; Latest available data

Foreign Trade Indicators	2017	2018	2019	2020	2021
Foreign Trade <i>(in % of GDP)</i>	37.6	37.6	35.9	34.8	37.5
Trade Balance <i>(million USD)</i>	475,941	380,074	392,993	511,103	562,724
Trade Balance (Including Service) <i>(million USD)</i>	217,010	87,905	131,844	358,573	462,808
Imports of Goods and Services <i>(in % of GDP)</i>	17.9	18.5	17.5	16.2	17.4
Exports of Goods and Services <i>(in % of GDP)</i>	19.7	19.1	18.4	18.6	20.0

Source: World Bank ; Latest available data

Following the implementation of economic reforms and opening up in 1978, China has seen a steady increase in its GDP growth rate, with an average of over 9 percent per annum, consequently lifting more than 800 million people out of poverty. Besides these, notable improvements have taken place in healthcare, education, and other fundamental areas.

Chinese success elevates the nation to the rank of upper-middle-income country. In countries with similar income levels, a substantial segment of the population remains susceptible to monetary hardship, earning below the threshold set to define poverty. The prior growth strategy of China, hinged on investment, low-cost manufacturing, and exports, has met its boundaries and has given rise to economic, social, and environmental imbalances. Redressing these imbalances necessitates a significant adjustment in the economic structure toward services and consumption, with a concurrent decrease in carbon emissions.

The once-robust Chinese growth has gradually flagged due to intrinsic factors like a decreasing workforce, reduced investment yields, and slower productivity gains. Ahead, the next challenge is finding fresh sources of growth while mitigating the social and environmental effects of China's previous development course. Rapid economic growth has exposed shortcomings in China's institutions and reinforced the need for corresponding reforms. Essential to China's priorities are strengthening regulatory systems and rule of law

support for market systems, as well as ensuring equal access to public services for all citizens.⁴

⁴ *Overview*. World Bank. (2023). <https://www.worldbank.org/en/country/china/overview>

ECONOMIC TRANSFORMATION

President Xi stressed the need for a more resilient approach to global development. Increasing resistance to economic globalisation poses a threat to a healthy global economy. The difficulty is universal, yet developing countries shoulder the most weight. With the situation being what it is, development has become an urgent matter. For economic recovery, let's create a global alliance prioritising growth and putting people first.

Africa receives support from China in joining the G-20. Curbing COVID-19, global inflation, and systemic economic and financial risks requires unwavering international collaboration. Attention must be paid to lessening the unfavourable repercussions of monetary policy modifications. These major creditors of developing nations should contribute to debt relief and suspension efforts. By suspending the most considerable debt service payments, China is living up to its commitments under the DSSI and aiding cash-strapped developing countries.

Xi highlighted the significance of upholding the WTO-centric system and concurrently promoting trade and investment liberalisation and facilitation. China has laid out the Action Plan on Digital Innovation and Cooperation and seeks to collaborate with all parties to establish a conducive environment for the digital economy, thereby bridging the gap between North and South digitally. Principles of shared responsibility must guide us through the challenge of climate change and shifting towards green growth. Providing funding, technology, and capacity-building support, developing countries can be further empowered. A crucial step is to demonstrate zero tolerance for corruption, while amplifying global cooperation on fugitive repatriation and asset recovery.⁵

⁵ *Foreign Ministry of People's Republic of China*. President Xi Jinping attends the 17th G20 summit and delivers important remarks. (2022). https://www.fmprc.gov.cn/eng/zxxx_662805/202211/t20221115_10975446.html#:~:text=China%20is%20implementing%20the%20G20's,navigate%20through%20the%20difficult%20time.

CHINESE DEBT RELIEF UNDER G-20

As China assumes the title of world's largest bilateral creditor, we witness significant economic shifts. In June 2020, CARI published a pre-pandemic study titled “Debt Relief with Chinese Characteristics” (access the database of China’s debt relief measures from 2000 to 2019) Since the pandemic, China’s debt relief has fallen into four distinct categories: (1) This involves official bilateral creditor debt relief as part of the G20 initiative, (2) alongside the cancellation of maturing interest-free loans under the FOCAC program, (3) along with ad-hoc debt relief provided by Chinese commercial banks, and (4) furthermore, contributions have been made to the IMF’s Catastrophe Containment and Relief Trust Four core areas are monitored via open-source information and interviews using the CARI Debt Relief Dashboard. Discover the source of the Africa loan commitments depicted in the Dashboard—CARI data. 2021 July; Chinese President Xi Jinping disclosed that China finalised debt relief arrangements with 19 African countries.⁶

G20 Debt Service Suspension Initiative (DSSI) and the Common Framework

April 2020 witnessed China joining forces with other G20 nations in introducing the DSSI, a swift response to COVID-19's mounting debt and economic strain. Permitting low-income countries with no overdue payments to these institutions, the G20 facilitated the temporary suspension of interest and principal repayments on their international external debt. It is particularly notable that China has become involved in a multilateral initiative to ease debt burdens.

In 2020, the DSSI suspension covered only the second half of the year, requiring repayment over three years starting with a year-long grace period. Recognising the ongoing challenges amidst the pandemic, the G20 prolonged the DSSI from January via June 30, 2021, concurrently allowing for repayment over a six-year period and featuring an additional one-year grace period.

⁶ Acker, Kevin, Deborah Brautigam, and Yufan Huang. 2020. “Debt Relief with Chinese Characteristics.” Working Paper No. 2020/39. China Africa Research Initiative, School of Advanced International Studies, Johns Hopkins University. Washington, DC. <http://www.sais-cari.org/publications>

Deepening their collaboration in November 2020, China and G20 nations launched the Common Framework for Debt Treatments Beyond the DSSI. Under this structure, nations can request financial relief exceeding the parameters and duration of the DSSI. The G20 has confirmed the end of December 2021 as the date for the final suspension extension. From 2021 onwards, all debt relief will conform to the Common Framework. Only three countries have applied for the Common Framework so far: Chad, Ethiopia, and Zambia.

Suspension is not automatic. It must be formally requested for each period. Reconciliation is necessary every time a calculation is required. The COVID-19 pandemic and capacity restrictions in developing nations might slow down this procedure considerably.

According to reports from Chinese officials in November 2020, Eximbank and CIDCA provided G20 DSSI relief to 23 countries globally, while by February 2021, 16 African countries had benefited from these efforts. Zhou Xiaochuan, the previous governor of the People's Bank of China, mentioned during May 2021 that China has offered over US\$1.3 billion in debt alleviation through the DSSI framework. The Jubilee Debt Campaign UK notes that China has waived off \$5.7 billion in debt, comprising more than half of the total.⁷

Forum on China Africa Cooperation (FOCAC) Debt Relief

Beginning in 2000, every three years under the triennial FOCAC framework, Beijing has granted financial relief to Africa by forgiving interest-free loans nearing maturity. Following suit with previous commitments, China has vowed in June 2020 to forgive the repayment obligations owed by selected African nations on interest-free government loans slated to maturity by year's end. (Both Botswana and other middle-income states are covered under this promise.) In February 2021, Chinese authorities declared that they were canceling interest-free loans owed by 15 African nations at the end of 2020. Managed by CIDCA, this program. At the conclusion of 2021, President Xi revealed in November of the identical year

⁷ Brautigam, D., & Huang, Y. (2023). *Briefing Paper - China Africa Research initiative. China Africa Research Initiative. <https://lucid-cari.squarespace.com/s/Briefing-Paper-9-China-and-DSSI-April-2023-V5.pdf>*

that China would cancel the accrued interest on loans received from least developed nations in Africa.

AD-HOC Debt Relief by Chinese Creditors

So far, the G20 initiatives only apply to sovereign lenders to the two countries. Although private lenders are encouraged to apply, there are no carrots and sticks. Controversially, while China has designated only the Export-Import Bank of China (Eximbank) and the China International Development Cooperation Agency (CIDCA) as bilateral lenders, there is formal official involvement in the G20 effort, other Chinese banks such as the China Development Bank (CDB). and China Industrial and Commercial Bank (ICBC). 20 have used COVID-19 era loans after the program. The CDB said it disbursed \$748 million between June and September 2020 and \$1.2 billion between January and June 2021 to DSSI-eligible countries.⁸

China's Contributions to the IMF'S Catatrophe Containment and Relief Trust

Through its CCRT, the IMF grants debt forbearance for two years to deserving members states. Spread across by four divisions—grant tranches', this allocation readily manages short term IMF lending commitments: particularly during periods lasting half any given year! Aiming to raise almost US\$1.5 billion, the IMF embarked upon a fundraising campaign. In line with the IMF's request, China has allocated resource of USD 8 million toward the Comprehensive Early Warning System, with participation similarly shared by distinct economies such as EU, Britain, Japan, among others.

Chinese Pledge on SDR Allocation

Remarked during the November 2021, FOCAC gathering, President highlighted his country's willingness" during the, stating "China prepared!" while highlighting readiness with accessibility measures on approximately \$1 Billion USD appropriated from estimated worth amounting to \$40 Billion SDR among other nations via allocation executed by International monetary fund with \$40 Billion. A fresh analysis underscores how China gifted additional

⁸ *Debt relief*. China Africa Research Initiative. (2021). <http://lucid-cari.squarespace.com/debt-relief>

debt relief beyond their predetermined lending portion towards helping low-revenue nations through COVID-19 challenges. Research indicates that Beijing perceives burdensome distribution among lenders, causing them to advocate equal contributions towards incurring debt forgiveness. Amidst peak COVID-19 activity in 2020, support came via G20 alliance with IMF & World Bank endorsement, launching DSSI initiatives aiding global economy relief efforts through debt service suspensions for impoverished nations.

Have you got queries on international hotspots and contemporary themes? Curated content for your reading pleasure! Discover crucial information through summarised articles, explanations, questions & answers, detailed examinations, and visually appealing graphics - all handcrafted by our acclaimed newsroom members. It was during this time frame; G20 nations advanced toward solidifying the Common Structure for Debt Treatments past the DSSI (November 2020). Chinese lenders were liable for 25 percent of debt repayment in 2020 and 2021 for 73 qualifying nations; parallel, multinational financial institutions - comprising the World Bank, EIB, and ADB - took care of approximately 22 percent, about 40%, or almost half, consisted of non-Chinese private lenders and bondholders. An informal group consisting mostly of Western creditor nations called the Paris Club focuses primarily on achieving long-term, efficient debt relief. Only about nine percent of these efforts are expected to result in tangible progress.

According to a 2021 report from the China Africa Research Initiative (CARI) at Johns Hopkins University, China has provided 63% of debt service suspensions for 46 low-income countries, even though they hold just 30% of the claims involved. Benefitting from China's G20 DSSI actions, 23 countries (16 in Africa) receive support. Evidence of China's dedication was seen in November 2021 when they entered into debt service suspension agreements or accord with 19 African nations. According to the study, countries involved received more than \$13 billion worth of debt restructuring aid from all lenders between 2020 and 2021. Lending a hand with US\$8.2 billion, Chinese creditors played a significant role.

Although multifaceted groups and varied investors, outside China's boundaries, unitedly offered subpar assistance close to 2%. Arguably, China - holder of the biggest portion of international debt through loans and bonds - frequently expresses frustration towards multilateral lenders about less than even distribution of loan losses ("haircuts"). FM Liu Kun reaffirmed China's longstanding position, advocating for coordinated efforts accompanied by fair sharing of responsibilities towards resolving the worldwide debt crisis via thorough and

systematic approaches under the G20 umbrella. Addressing the G20 meeting of finance leaders through video-link on February 24, Liu urged participants to adopt a just approach toward evaluating the root sources of international obligations.

An increase in discontent could be sensed among top Chinese government officialdom near the end of 2020 with the rollout of the Common Framework due to dissatisfaction in lacklustre response from diverse groups by being reliant on Beijing' prays suspension of credits. The CARI report said as the DSSI was taking shape, calls for fair burden sharing among all three creditor groups - bilateral, multilateral and commercial - were strong in Europe, Africa, and even in the US private sector. "Perceptions of unfairness reinforced Chinese demands for full creditor participation."⁹

⁹ *Debt relief*. China Africa Research Initiative. (2021). <http://lucid-cari.squarespace.com/debt-relief>

Achieving the G20 Agenda of Food Security

Significant contributions from China have been crucial in the G-20's endeavours to tackle food security concerns. China's prominent position in the agricultural sector has generated its participation in G20 talks revolving around food security. By sharing information on agricultural markets within the G20 framework, China works towards producing more stable food prices. China has contributed significantly to the G20's fight against food waste, a substantial hindrance to global food security.

With the "Clean Plate" campaign in 2020, China set a precedent for other countries by addressing food waste. To combat the problem of nutrition-related health issues, China created the National Nutrition Plan.

Leveraging programs like the South-South Cooperation Fund for Agriculture, China has contributed to global development via aid to other countries. On the whole, China's participation in the G20's food security initiatives displays its dedication to tackling the multifaceted and integrated issues affecting global food security.

Sustainable farming practices, infrastructure investments, technological advancements, and poverty reduction programs must be implemented parallel to overcome these obstacles. China's nutrition policies are geared towards achieving the SDG of eradicating hunger by 2030 as set by the UN. Some of them are as follows:

With a view to enhancing nutrition and tackling malnutrition, China introduced its National Nutrition Plan in 2017. Covering a time frame spanning from 2017 to 2030, it. The plan targets improving exclusive breastfeeding rates while reducing the likelihood of stunting, wasting, and malnutrition in children under five.

Food fortification: Through a strategic policy, China tackles vitamin scarcities, prioritising the well-being of susceptible populations. Enhancing everyday food items like salt, soy sauce, and flour with essential nutrients like iodine, iron, zinc, and vitamin A is the focus of the program. In pursuit of eradicating poverty and strengthening food security in remote rural areas, China's Rural Poverty Reduction Project has two key objectives. By supporting farming necessities

with subsidies, enhancing infrastructure, and encouraging rural businesses, the project seeks to boost earnings.

Nutrition education: In pursuit of enhancing nutritional understanding, China has initiated educational projects throughout various settings. Designed to excel in these areas, campaigns prioritise diverse meal consumption, augment breastfeeding knowledge, and strengthen food safety protocols.

Food safety laws: Elevated food safety standards were put in place by China to minimise contamination risks and adulteration threats.

Sustainable agriculture: China has laid out plans to advance sustainable agricultural practices, including reducing the reliance on pesticides and fertilisers, expanding the application of organic farming methods, and cultivating agroforestry.¹⁰

¹⁰ Suri, S. (2023). *Food security in China and its role in pushing the G20 agenda*. ORF. <https://www.orfonline.org/expert-speak/food-security-in-china-and-its-role-in-pushing-the-g20-agenda/#:~:text=In%20addition%2C%20China%20has%20contributed,for%20other%20countries%20to%20follow>