

China's Economy Outlook 2023 in the Context of the World Economy

Dialogue with China's Global Television Network – CGTN, Hosted by the Chongyang Institute of Renmin University

By [Peter Koenig](#) and [CGTN](#)

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CGTN Question: China's economic performance during the past three years. Why did China outperform major economies including the US and EU?

Peter Koenig: China has entered new partnerships with the BRICS+, as well as a new strong alliance between China, Russia and Iran, as Iran has become a full-fledged member of the Shanghai Cooperation Organization – SCO.

China has already 2 years ago “discounted” trade and investments with the west, notably with the US and Europe, and instead concentrated on the ASEAN countries.

In fact, the Chinese initiated the world's largest trade agreement, the **Regional Comprehensive Economic Partnership (RCEP) Agreement – ASEAN+plus 5 (Australia, China, Japan, New Zealand, and South Korea)** – entered into force on 1 January 2022.

While the RCEP impact on China's economy may at this point be modest – the future looks extremely good, not only because of a new closer political alliance **within the East**, but also because it develops trade with China and with and among the RCEP member countries themselves.

Already today China's trade with the various Eastern Associations has become more important than – and outranked – trade and investment exchange with the “West” – EU and US.

Just before the end of 2022, the special **Russia-China strategic partnership**, has been enforced by a virtual meeting between Presidents Putin and Xi – strengthening their politico-economic relationship for the future. They projected trade between the two countries to reach some 200 billion dollars equivalent by 2024.

And trade, which means economic growth, has already been enhanced during 2022, as the two countries are massively dedollarizing their economies, and dealing with local currencies, especially the Yuan.

The Yuan will in the future gain in importance due to China's deal with the Gulf Cooperation Council (GCC) – 6 member countries, led by Saudi Arabia. Perhaps, a new “OPEC” is dawning – an eastern oriented hydrocarbon exchange. It may lead to a universal Petro-Yuan.

And finally – the Belt and Road – the BRI – has made a new start, as it is celebrating its 10th Anniversary this year. Its expansion and new orientation on trade and joint infrastructure, production and investment projects, had already started in 2021/22 – especially with Russia, India and Iran, and in the future direction will include the revived BRICS+....

The BRI will also be an important driver for China's future economic development – including that of countries that join the BRI, and more in general – countries that join eastern alliances and aim at new associations within a natural Continent – EURASIA – connecting people and countries in peace.

CGTN: How did China escape the global inflation in 2022?

PK: China had a “normal” economy, over the past few years ever more detached from the western economy. For good reasons – sanctions, China bashing and so on...

Western inflation was manufactured, by the EU Central Bank (ECB) and country central banks, as one of the means to destroy the western economy, especially the European economy – along with artificial energy shortages, and related food shortages – all blamed on Russia's war with Ukraine.

The purpose being creating poverty, bankruptcies, shifting assets from the bottom and the middle to the top, to the billionaire oligarchy – creating poverty, famine – total destitution and finally death.

Many people in Europe, maybe up to 20% will have to choose between buying food or heating their apartment this winter. Many may lose their living quarters, because they can no longer pay their rent...it's a way of depopulation – it's part of the UN Agenda 2030, and the WEF's Great Reset

To answer your question, that's why China had no inflation, because China has another agenda for her peoples' development.

CGTN: Decoding latest sets of economic data (up till Nov 2022), what do they tell us?

PK: Well, the reason might be that China's economy performed so much better than the west projected, despite covid restrictions. And better than western economies.

Some of western countries attempted to restart their economies and relied on trade with China. This is of course never mentioned in the western mainstream media.

What also helped – maybe indirectly – and with a look into the future, the US\$ 18 billion equivalent of contracts that German Chancellor Scholz took home from his recent short trip to China.

As a result of this much better-than-expected Chinese performance, the IMF “upgraded” China’s economic growth forecast for 2023, from 4.8% to 5.2%.

In my opinion, that is still an underestimation, given the new alliances and trading and investment potential that China is pursuing with the expanded SCO, with the BRICS-plus and with the new larger alliance – the three letters of the BRICS – Russia – India China – plus Iran.

And of course, with the new Turbo BRI.

CGTN: What had been the major drivers of growth in the past three years?

PK: The short answer – the BRI – which in the future will be revamped into a BRI-plus – as it will focus more on the new and enhanced alliances – Russia, China – and BRICS+.

Also the reorientation away from western markets, towards ASEAN countries, and importantly, China’s “inside look” – concentrating on developing the lesser developed internal and north-western regions.

You may call them investments in internal “equilibrium” – which in themselves will yield economic returns to the nation.

China’s economy, especially the western Provinces, have benefitted from state-sponsored “structural adjustments” at favorable terms, easing infrastructure and industrial development and growth.

CGTN: Debate on Western observations. COVID impact on short term economic activities?

PK: In brief – devastating in Europe and the US; bankruptcies abound, skyrocketing unemployment, rapidly rising poverty – while China’s economy still grew with internal mechanisms of selective structural adjustments, helped ease the covid impact, and at the same time bringing more equilibrium between highly developed Eastern China and middle and western China.

CGTN: Outlook for consumption recovery?

PK: Depends on whether Europe will continue to pursue the UN Agenda 2030 / Great Reset, or whether the European people will come to their senses and reject such nefariously destructive policies.

Both Agenda 2030 / Great Reset are determined to crash the western, foremost the European economy.

The socioeconomic policies of Europe – and partly the US – today look like a suicide pact, both for the economy and the people. An instrument to get there is Russia sanctioning, banning Russia’s gas and oil, creating an artificial energy shortage and blaming Russia for it.

Why the planned destruction? – Because this is the way a Globalist One World Order can be forged, not with two major blocks of functioning economies, the US and the European Union.

In China, consumption is up and running again – soon reaching pre-covid levels.

As far as I can see, China is not following the destructive path of the UN Agenda 2030 which appears to me like the pursuit of a weird and deadly Cult.

CGTN: Housing market named a key driver of recovery in economic conference, will the sector rebound in 2023? What will it mean for consumption?

PK: In Europe, people are very insecure about the economy, especially their own place or home, in an insecure economy. This means, they are hesitant making big investments, and especially debt which in the west is intimately related to housing.

What will happen in the near future, will depend on EU policies - will they detach from the US Hegemon's dictate?

My vision is that 2023 will be a year of transition, where the people in the west will take back their lives, away from what has become a tyrannical all-controlling governing style.

If We - the People, succeed, there will be a rebound of housing and consumption - of everything.

If not - I don't even want to think of it.

CGTN: Is export greatly challenged amid a global recession? Is it fair to call the Chinese economy an export-and-investment-driven economy?

PK: Yes, exports are naturally challenged in a recession economy, as consumption is challenged.

The thing is, the western recession is not necessarily a "global" recession.

Much of Asia, especially China and Russia are not in a recession.

The Chinese economy is much more versatile than "export and investment-driven". Suffice to look at the new initiatives, like the visit by President Xi to Saudi Arabia - the new hydrocarbon deals in Yuan - with the Gulf Cooperation Council (GCC).

The ramification of this new relationship is poised to become a generator of a new dimension - a shift from the falling powers of the west to a new growing and more equal and more peaceful - and, thus, more sustainable world economy.

Far from just an export and investment economy - China is already the driver of a new economic concept, based on peace, harmony and stability - back to the true meaning of "trade" which in ancient times had been described as win-win, meaning both parties benefit from it.

This concept is foreign to the west, also the long-term economic concept of "comparative advantage" has largely disappeared from western thinking, let alone from western vocabularies.

These are reasons contributing to the western demise and the unstoppable shift from western power based on conflict, to eastern power based on peace and harmonious cooperation.

CGTN: How will aging affect China's growth? What are the compensating factors?

PK: In China, as in many eastern cultures, age is considered also wisdom – thus, older people keep an important role in society – as with sharing their experience converting it to advice for younger generations.

Older people’s lesser physical productivity, may be at least partially compensated by ever-updated new technologies.

In short, aging in China may have none, or a much lesser negative impact on the economy.

Whereas in the west, aging may impact societal well-being, because older people are often discriminated and separated from the “working society” – that has a psychological and social cost – and eventually, it also impacts on the welfare system.

CGTN: China’s interaction with global economy. What does China easing COVID policies mean for the world?

PK: It could be very positive, and it will be positive for part of the global economy, namely for the Asian and the Global South socioeconomy.

As to western economy, the west has no shortfall of stalling China – now with travel restrictions, and soon with new sanctions – probably linked to Taiwan...

The west has still not understood that they cannot, never, curtail, control or limit China’s growth, with her 5000 years of history.

It eclipses all of the Global North.

CGTN: Outlook for 2023 growth?

PK: The Outlook for growth in China is good – as mentioned before – the BRI – new and strengthened strategic relations with Russia, and new enhanced association with India and Iran, as well as the BRICS+.

As mentioned before, the IMF forecasts an upward adjusted growth of 5.2%.

CGTN: Does the PBOC (China’s Central Bank) has enough room for policy adjustments and why?

PK: At first sight I would say yes – but cannot substantiate it, other than “structural adjustments” with Chinese characteristics – is a good instrument, as proven in the past.

CGTN: With innovative developments and technological progress, is China becoming a big contributor for a cleaner global economy?

PK: Definitely. As compared with western large powers, like the US and the EU, China is already today contributing more to a cleaner environment. Also, research into alternative sources of energy, are taken seriously in China – less so in the west – and therefore in China they are already much more advanced than in the west.

The west has been captured by a neo-liberal Green Agenda – many have not even noticed it. What used to be a center-left agenda, has become an outright fascist party concept.

The “Green Agenda” in the west is everything else than green and clean. It is a way of

oppressing people's freedom, through new lockdowns and life-restrictions, rather than seeking cooperation in reducing pollution and all levels.

In fact, CO2 is not a pollutant; it's a vital gas for all life. Without it, there would be no life on earth.

CGTN: How did the structural adjustments in the last 10 years in China have paved way for a new round of growth?

PK: Structural adjustment - Chinese style - and adapted to local circumstances, has helped shape investment strategies for the interior and western China - thus contributing to people's well-being, reduction of migration and a better equilibrium with the highly developed eastern China.

CGTN: How will walking out of the pandemic shadow help to accelerate China's involvement in global economic activities, such as the BRI?

PK: The Chinese easing on covid restrictions is certainly a driver for more connectivity with the "global" economy. What will however be the main driver is the "new" BRI.

The re-orientation of the Belt and Road to new or enhanced alliances, like Russia-China, and China-India-Iran — BRICS-plus and SCO — and so on, will be also a potential driver for associated countries' economies.

This for now will be most visible in Asia, and in a larger sense, EURASIA - with the Middle East, especially the new GCC alliance.

It may be wise to limit the term "global" to Asia, and Asian / Eurasian associations. Unfortunately, the west, as of now, is not trustworthy - and is on a destructive and hostile drive.

CGTN: Uncertainties for China's growth in 2023?

PK: Considering all the foregoing - especially BRI - my short answer is NO.

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Peter Koenig is a geopolitical analyst and a former Senior Economist at the World Bank and the World Health Organization (WHO), where he worked for over 30 years around the world. He lectures at universities in the US, Europe and South America. He writes regularly for online journals and is the author of [*Implosion - An Economic Thriller about War, Environmental Destruction and Corporate Greed*](#); and co-author of Cynthia McKinney's book "When China Sneezes: From the Coronavirus Lockdown to the Global Politico-Economic Crisis" (Clarity Press - November 1, 2020).

Peter is a Research Associate of the Centre for Research on Globalization (CRG). He is also a non-resident Senior Fellow of the Chongyang Institute of Renmin University, Beijing.

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