



Leverhulme Centre
for Research on Globalisation and Economic Policy



**The University of
Nottingham**

Ningbo Campus

Head of CWE programme in China visit

Keynote lectures

The economist who suggested the credit crunch has given China a “once-in-a-century chance” to cement superpower status is delivering a series of major lectures in the country.

Professor Shujie Yao recently claimed the Chinese economy could already be the second-largest in the world thanks to the global downturn's devastating effects on rival nations.

He believes China may already have overtaken Japan and could even catch up with the US within the next 20 years – completing its astonishing rise to pre-eminence.

Regarded as one of the world's foremost scholars specialising in China's economy, Professor Yao is co-ordinator of GEP's China and the World Economy programme.

He is also Head of the University of Nottingham's School of Contemporary Chinese Studies, the leading centre in Europe for research, teaching and policy analysis on contemporary China.

Two years ago he forecast that China's economy would overtake Japan's by 2018, but the extraordinary events of the past 18 months have made him dramatically revise his opinion.

He said: “The current economic crisis has hit every country hard, and China is certainly no exception.

“But the crisis actually gives China a once-in-a-century opportunity to achieve a much speedier economic convergence with the world's largest industrialised economies.

“China had already become the third-largest economy in the world by 2007, and 2008 reinforced that position.

“It is now most likely that it will surpass Japan to become the second-largest in nominal dollars either in 2009 or, at the latest, 2010 – and it may even have reached that point already.

“With this trend, it will greatly shorten the time needed

to catch up with the US and become the world's largest economy.”

Professor Yao made his prediction in Chinese Economy 2008: A Turbulent Year Amid the World Financial Crisis, an article published by the China Policy Institute as a discussion paper for policymakers both in China and the UK.

He is now addressing the worldwide downturn and its implications for the future of China's economic and social development in a series of keynote speeches in China.

On March 19 he delivered the first of his lectures, The Current World Financial Crisis and China, at the University of Nottingham's Ningbo Campus.

He will give the same lecture during an appearance at the Chinese Economic Society (US) Conference, which is being held in Macau on March 28 and 29.

Professor Yao will also deliver a second lecture, Economic Growth and Inequality in China Under Reforms, during a visit to Chongqing University on March 25 and 26.

Professor Yao has acknowledged China did not escape the financial meltdown in 2008, which saw it mark 30 years of the economic reforms that have transformed the nation.

Yet it suffered far less than its competitors and still managed to achieve “significant and positive” growth in trade, GDP, foreign direct investment and state revenue.

The country also possesses the best fiscal conditions in the world, with its debt accounting for only 20% of GDP – compared with around 60% in Europe and 80% in the US.

Professor Yao believes this, coupled with continued growth prospects, means the government can carry out “bold and expansionary” policies to target an 8% economic growth rate.

He said: “The immediate problem now is how to survive the next few months amid a severe global recession by using a stimulus package most efficiently and effectively.

“If China can handle the crisis well it has the opportunity to shorten the time needed to catch up with the more advanced economies and so enhance its status.”

About GEP

GEP is based at the University of Nottingham and is substantially funded by grants from the Leverhulme Trust.

In January 2008 it opened GEP in Malaysia at the University of Nottingham’s purpose-built Semenyih campus, 30km from Kuala Lumpur.

In November 2008 it launched GEP in China at the University of Nottingham, Ningbo, China.

GEP is keen to promote its research work and is committed to communicating its expertise through the media and to assisting journalists whenever able.

Website: www.gep.org.uk

Professor Shujie Yao



Shujie Yao is a Professor of Economics and the co-ordinator of the Globalisation and Economic Policy Centre’s China and the World Economy programme. He is also Head of School at the University of Nottingham’s School of Contemporary Chinese Studies.

In an article published in the Journal of Asian Economic Literature he was ranked in the top 10 Chinese scholars specialising in the country’s economy. He is chief editor of the Social Science Edition of the Xi’an Jiaotong University Journal and founder editor of the Journal of Chinese Economics and Business.

He has been a consultant to organisations including the World Bank, the EU and UNCDF.

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