

The Prospects of China's Economic Development in 2030-Based on the DRC-CGE Model

Topic: CGE applications

Author: Shantong Li

Co-Authors: Jianwu He, Zhaoyuan Xu

Since the late 1970s, with the opening up and the economic system reform, the Chinese economy has made tremendous progress and substantial enhancement in economic power. From 1978 to 2010 the average growth rate is 9.8% per year. Various social undertakings have also made considerable progress, China's reform and development undertaking enters into a new historical stage, Chinese economy has been facing new opportunities as well as more complex challenge. It will be another crucial stage for the development of China from 2010 to 2030.

This paper uses DRCCGE model based on 2007 Input-Output Table to simulate three scenarios of China's economic growth in the future. The results shows that the economic growth is expected to reach about 8% during 12th Five-Year Plan and China has the potential for rapid growth in the long run; The main risk for China in the future is the poor coordination of economic development, high pressure of resources and environmental pressure; The key to keep sustained economic growth is to achieve transition of the pattern of development