

## **Has the ICT sector become the engine of China's economic growth?**

Topic: Sustainable production and consumption I (Chair: Shigemi Kagawa, Kyushu University)

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This study examines the key drivers of the information and communication technology (ICT) sector's growth and the dynamics of its sectoral links in the Chinese economy, about which little is known, by using four updated and harmonized input-output tables for the period 2002-2017. The decomposition analysis shows that the ICT sector's growth was mainly driven by expansion of export and domestic demand in the 2002-2007 period, and by domestic demand expansion in the 2007-2012 and 2012-2017 periods. Furthermore, causative matrix analysis demonstrates that the ICT sector was consistently externalized throughout the study period, regardless of whether it received limited feedback from non-ICT sectors' final demand in the 2002-2007 and 2012-2017 periods, or substantial feedback in the 2007-2012 period. Finally, linkage analysis reveals that the ICT sector has had profound inter-sectoral linkages with both supply- and demand-side effects in the economy. We conclude that the ICT sector has been the engine of economic growth in China, and that stimulating its growth is a key tool for economic development.