

NORDIC CHAMBER BREAKFAST SEMINAR WITH NORDEA BANK

CHINA'S CHANGING ROLE IN THE GLOBAL ECONOMY

08:30 - 10:30

26 OCTOBER, 2023, BEIJING

¹
ORGANIZER



SWEDCHAM.CHINA
中国瑞典商会



CO-HOST



FINNCHAM
BEIJING

VENUE SPONSOR



国家健康与环产业联合会

Nordea

China's changing role in the global economy

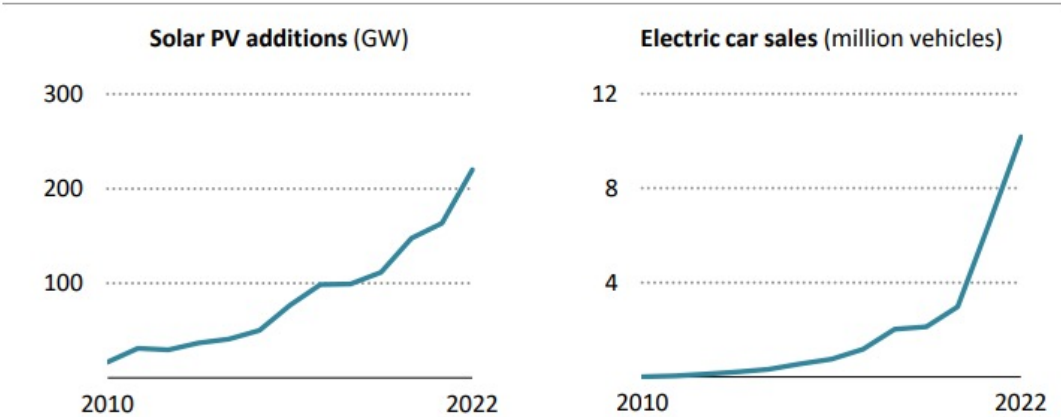
Tuuli Koivu, PhD, Chief Economist

October 2023

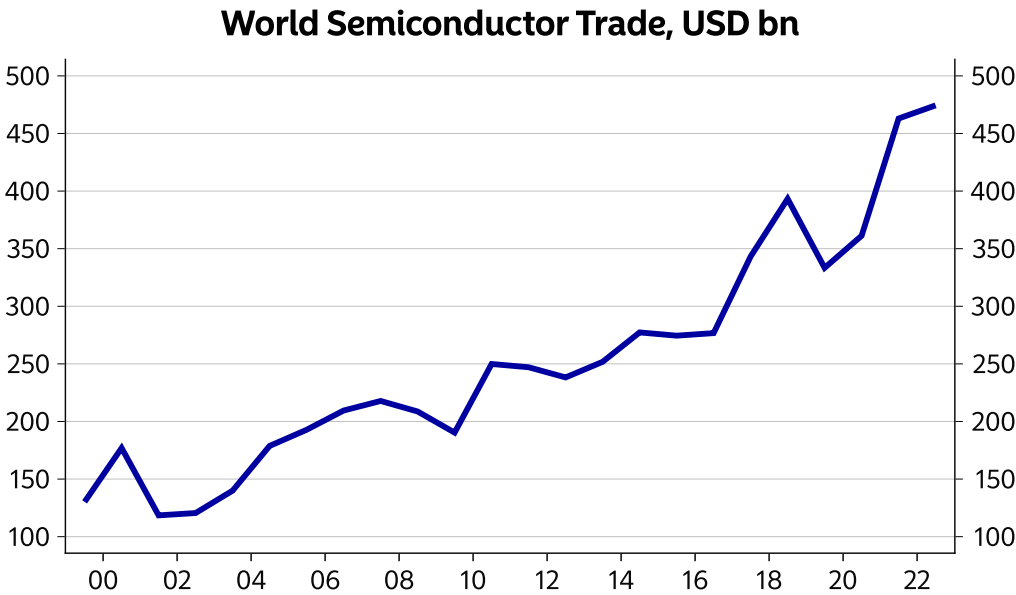


The most important thing to remember:
Despite the globally weak outlook, many sectors are actually booming!

Figure 1.12 ▶ Global installations of selected clean energy technologies, 2010-2022

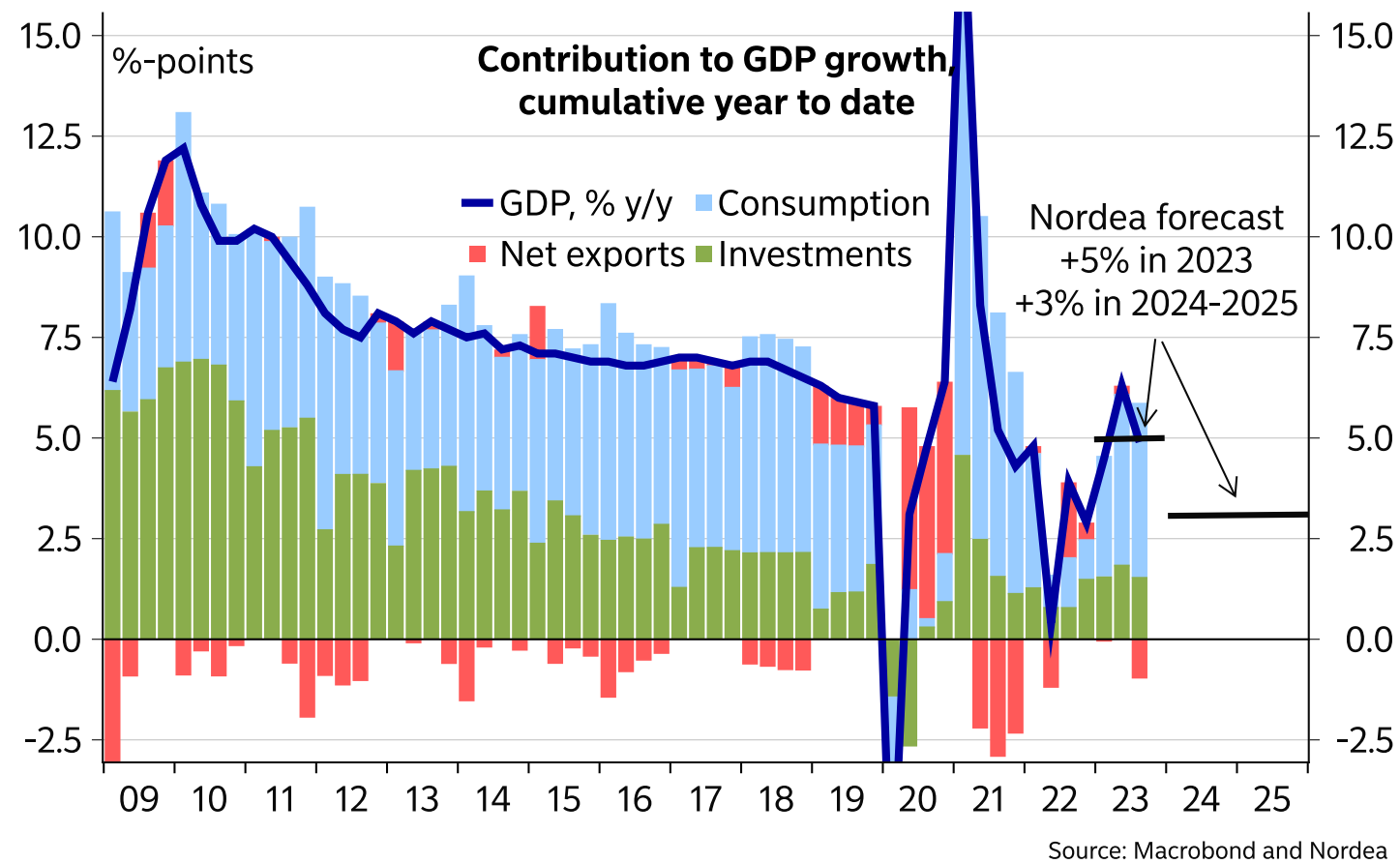


Source: IEA, 2023

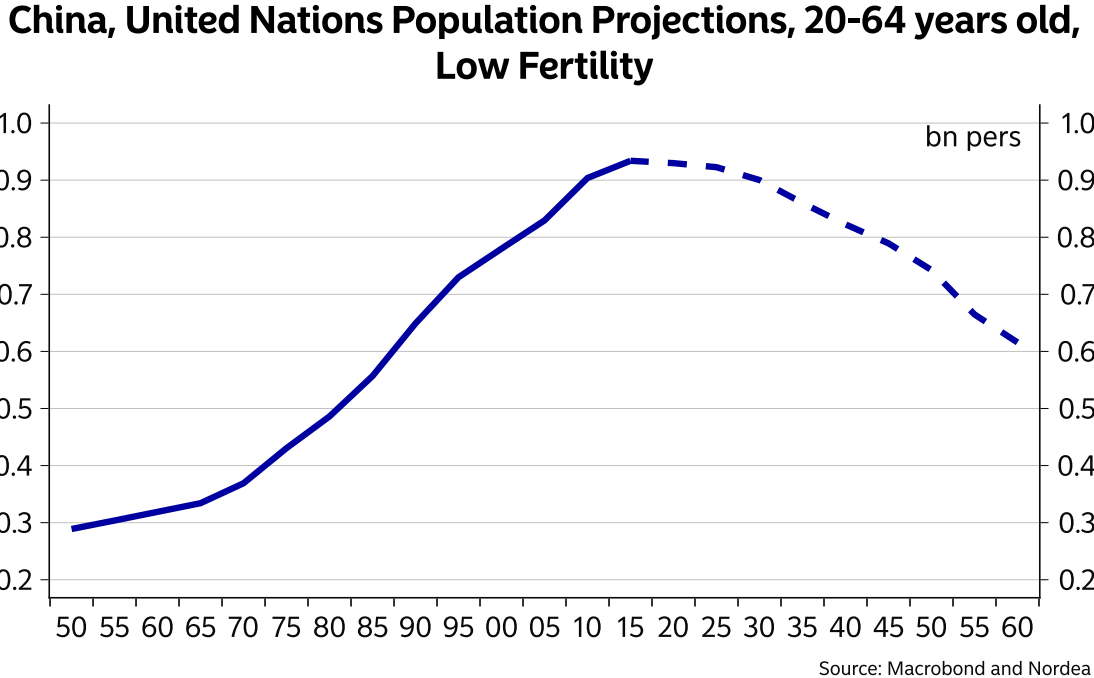
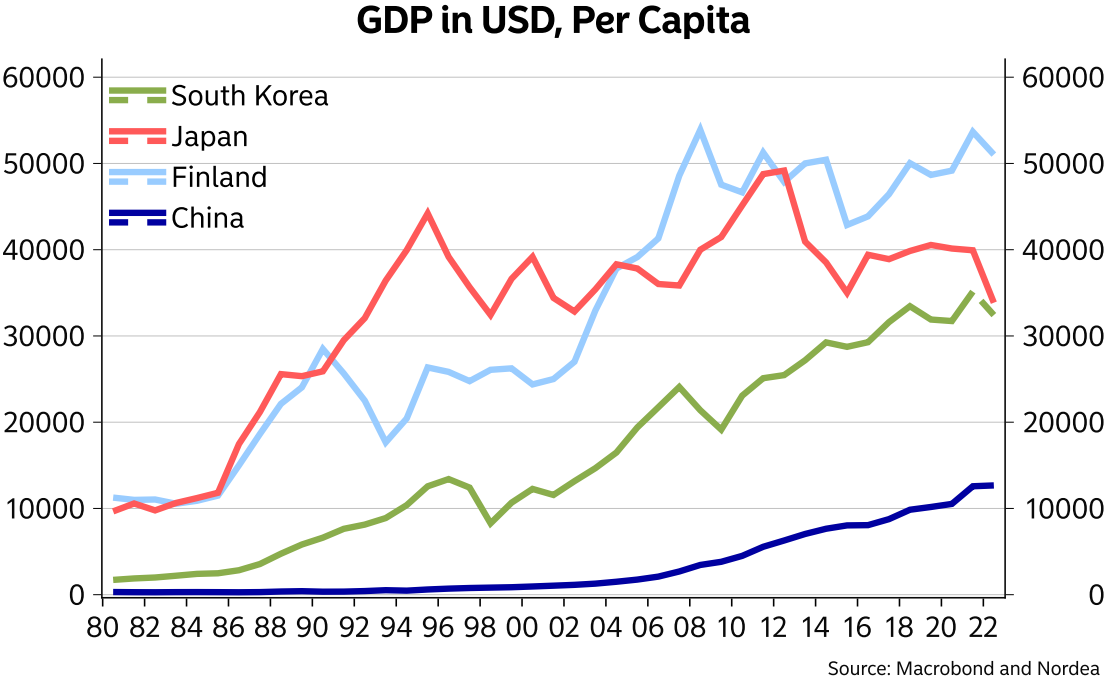


Source: Macrobond and Nordea

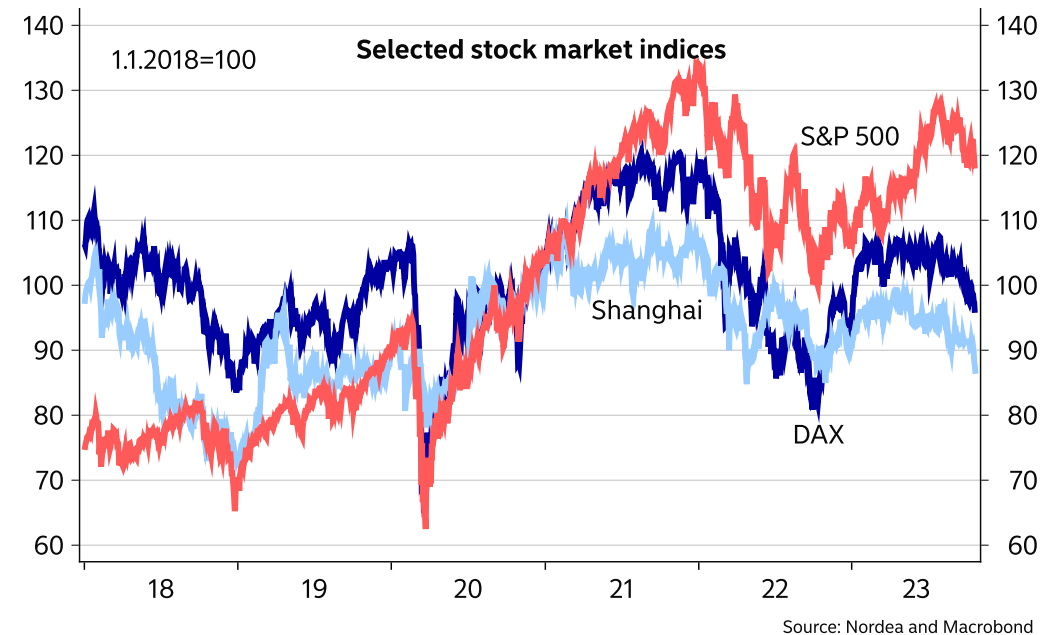
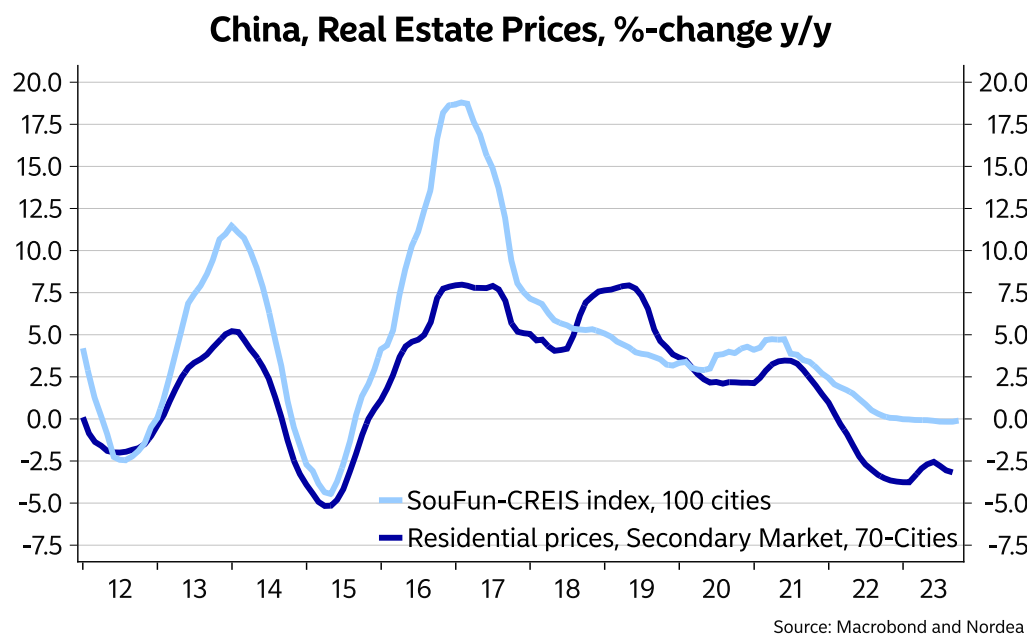
China's growth outlook has stabilised since the summer.
In 2023, GDP will grow by around 5% but slow down in 2024.



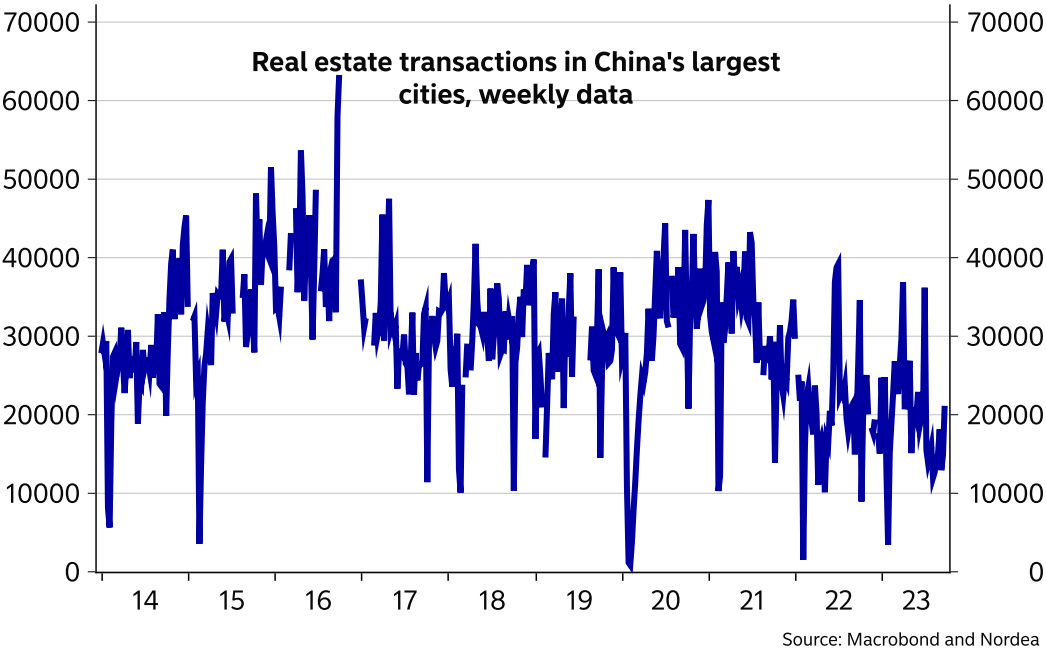
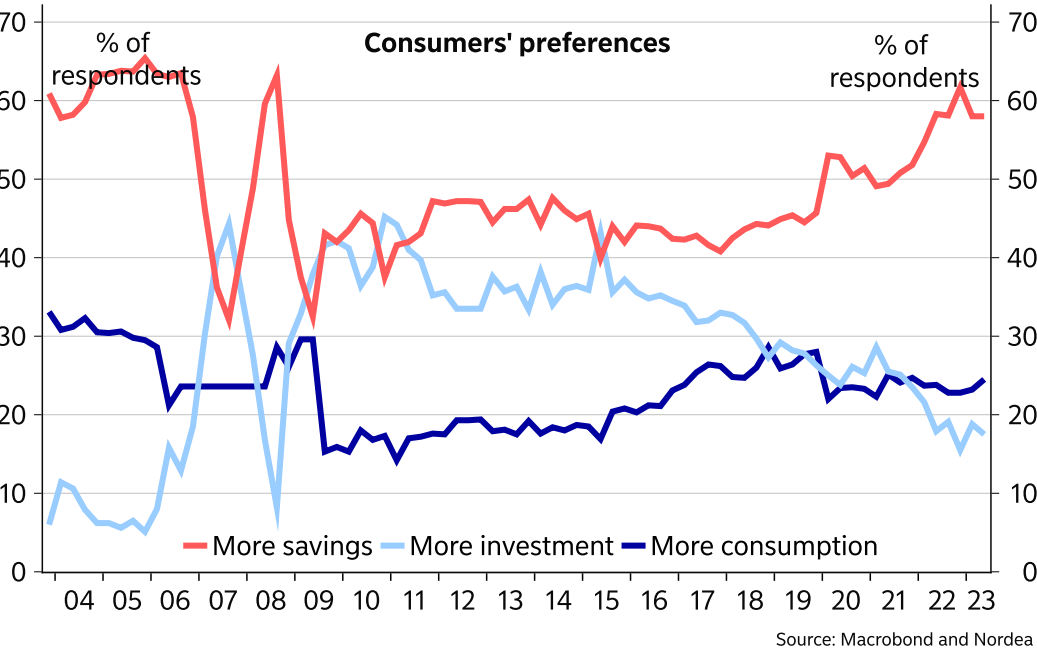
**The downward trend in China's growth forecasts is very common.
Catching up typically runs out of steam and the decline in the labour force will accelerate.**



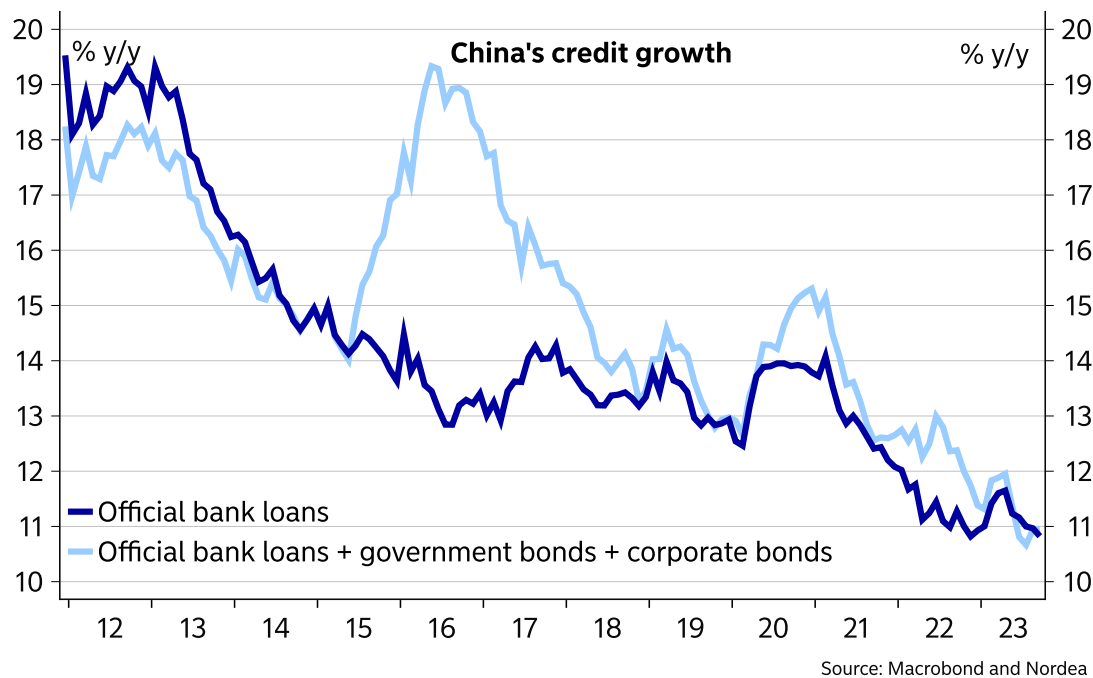
Households' position in China is weak.
Wealth effect on households is currently negative.



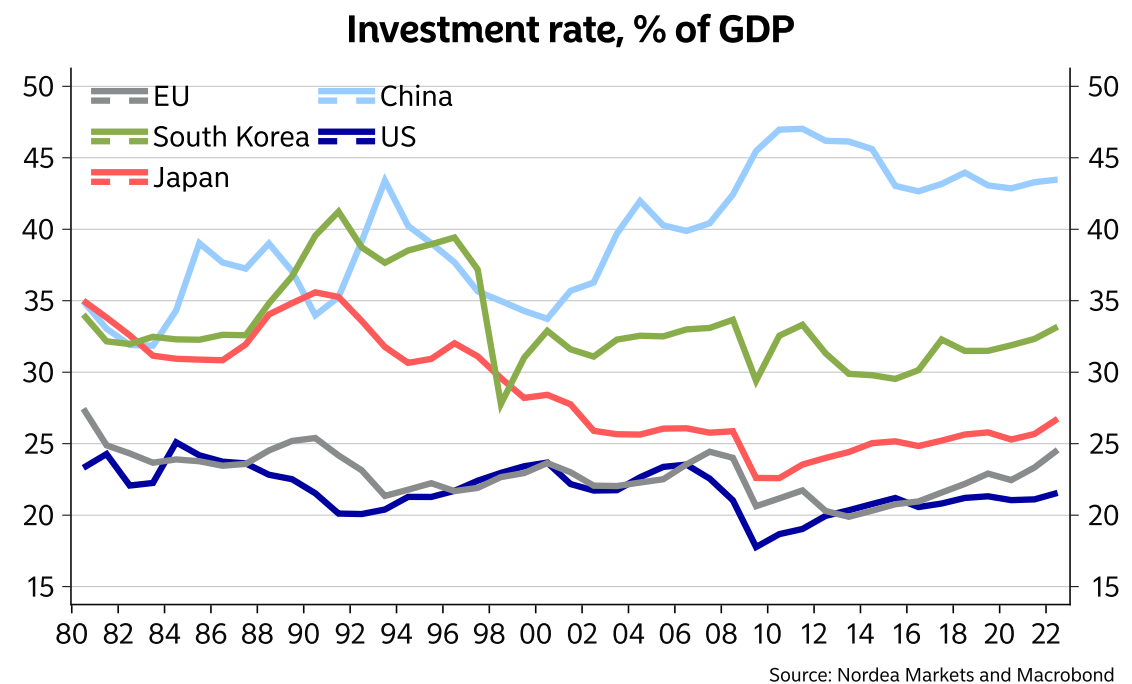
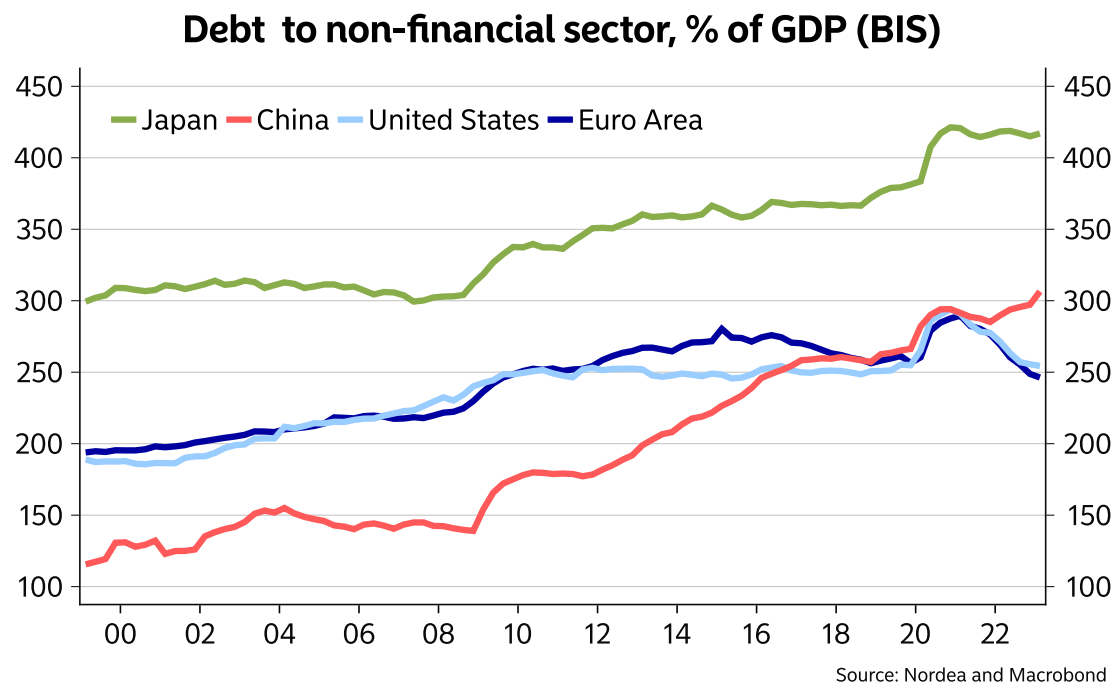
Uncertain families do not buy apartments



It takes more than monetary policy tools to improve the outlook.

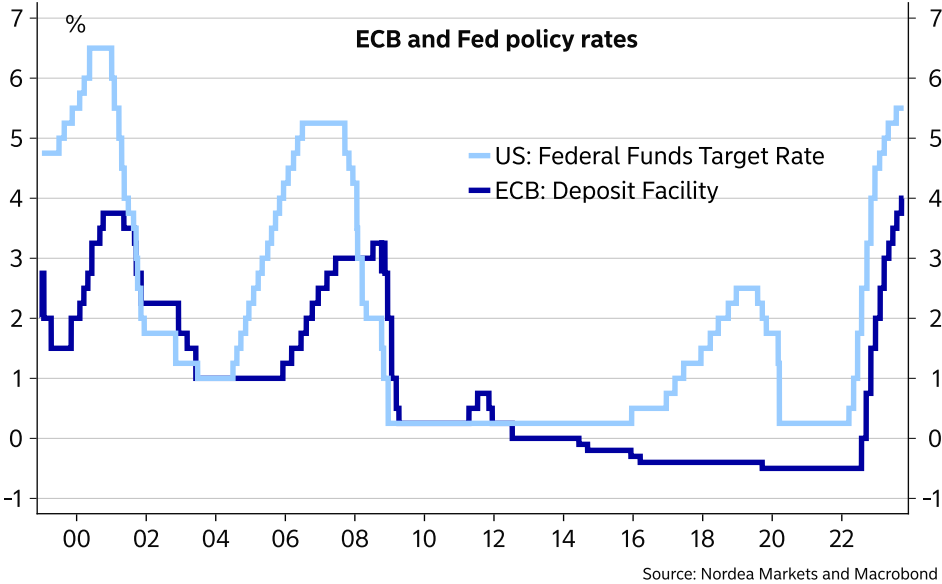
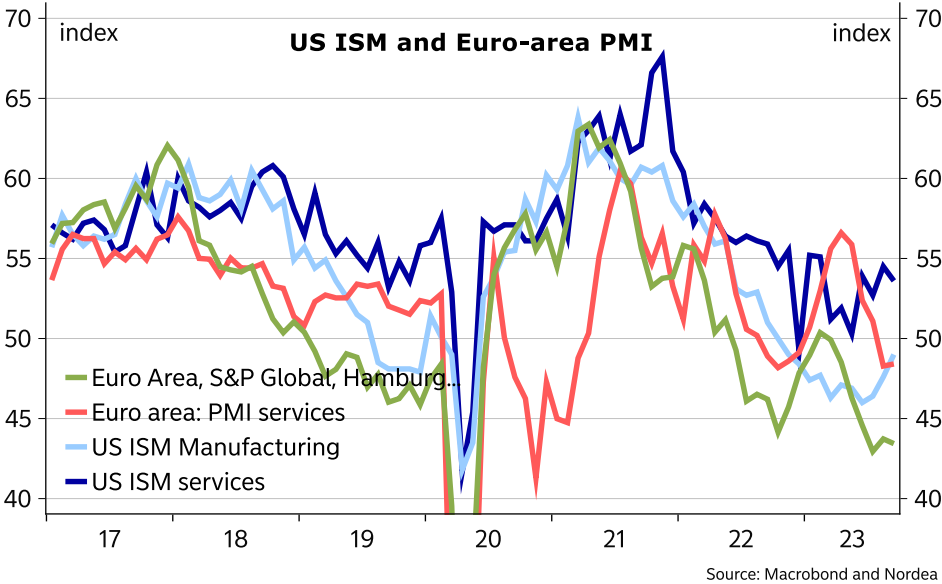


China is solving its problems but this can take some time and harm growth in a short-run.



One reason for weak growth outlook is globally weak growth

GDP growth, %	2022	2023F	2024F	2025F
World	3.5	2.9	2.5	2.7
Euro area	3.4	0.5	1.0	1.0
USA	2.1	2.0	0.9	1.9
China	3.0	5.0	3.0	3.0
Finland	1.6	0.0	0.0	1.5
Sweden	2.8	-1.0	-0.2	2.2
Denmark	2.7	1.3	1.0	1.7
Norway	3.8	1.2	0.5	1.0



The EU is derisking

Press release

Mar 30, 2023 | 2 min read

Von der Leyen calls for de-risking EU-China relations in speech to MERICS

Von der Leyen warns Xi not to arm Russia with Chinese weapons

World

EU must seek to de-risk rather than decouple from China, von der Leyen says

Reuters

January 17, 2023 1:05 PM GMT+2 · Updated 9 months ago



Aa



What kind of political risks the Nordic companies consider in China?

China's domestic risks

- Regulation can be sometimes unpredictable
- Case zero-covid policy
- One person has a lot of power

Geopolitical risks

- Great Power Competition with the US
- The EU derisking
- Case Russia

Consumers' reaction

- Could the Western consumers turn against Chinese goods/brands at some point?



Tuuli Koivu, tuuli.koivu@nordea.com, @KoivuTuuli

DISCLAIMER

Nordea Markets is the commercial name for Nordea's international capital markets operation.

The information provided herein is intended for background information only and for the sole use of the intended recipient. The views and other information provided herein are the current views of Nordea Markets as of the date of this document and are subject to change without notice. This notice is not an exhaustive description of the described product or the risks related to it, and it should not be relied on as such, nor is it a substitute for the judgement of the recipient.

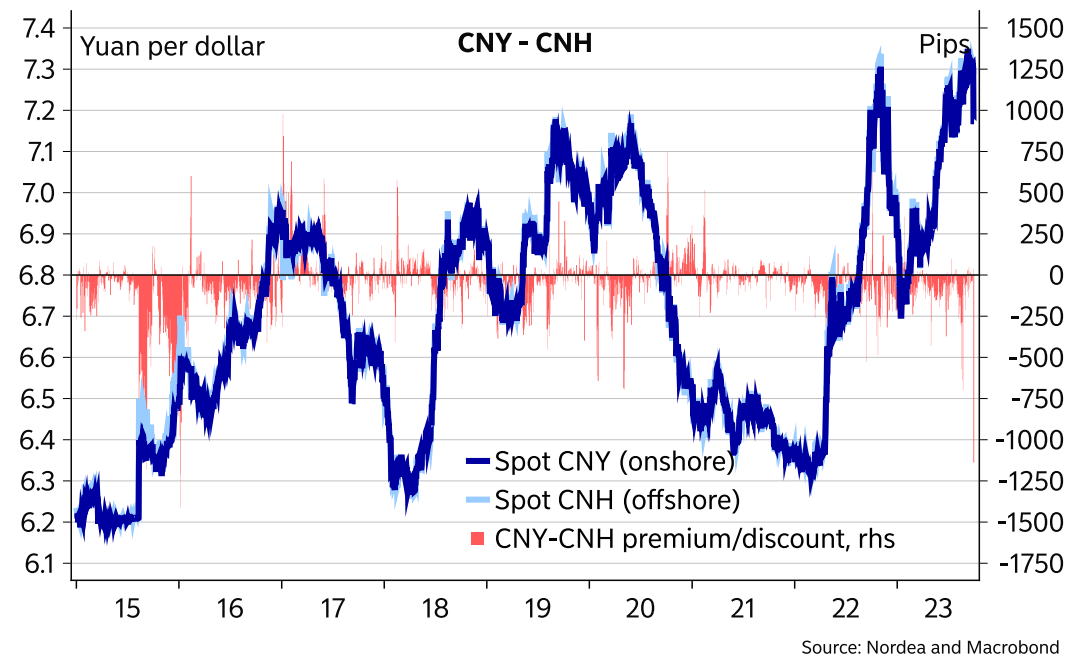
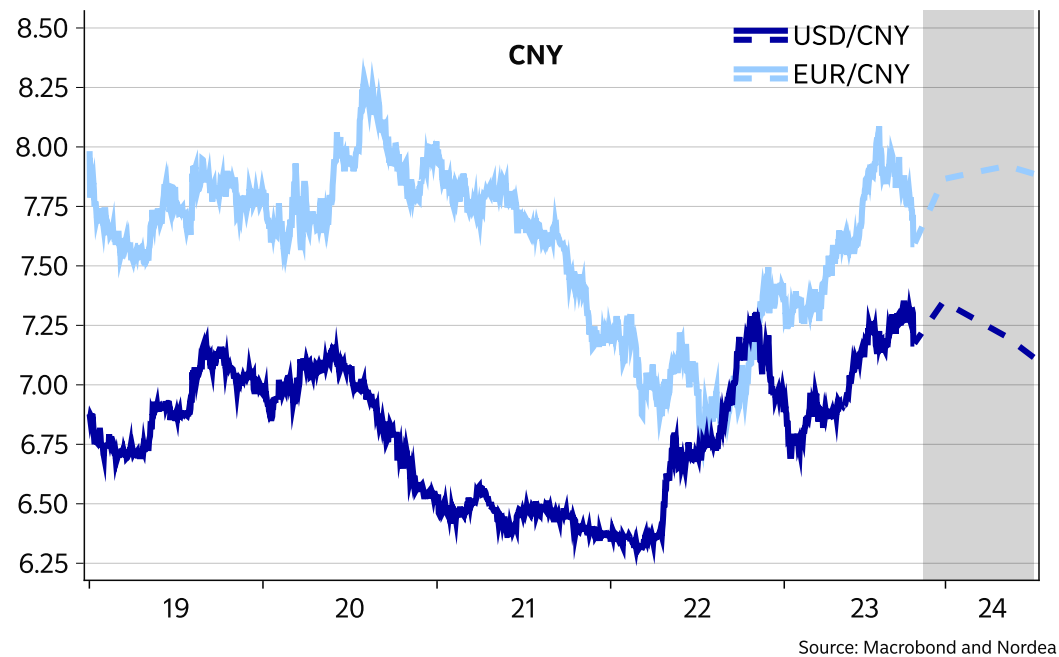
The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision. It is important to note that past performance is not indicative of future results.

Nordea Markets is not and does not purport to be an adviser as to legal, taxation, accounting or regulatory matters in any jurisdiction. This document may not be reproduced, distributed or published for any purpose without the prior written consent from Nordea Markets.

In the United States, to the extent that this publication or report includes an analysis of the price or market for any derivative and is not otherwise exempt from the applicable U.S. Commodity Futures Trading Commission (CFTC) regulations, it is approved for distribution in the United States to US persons that are eligible contract participants from a CFTC perspective. Nordea Bank Abp is a provisionally registered swap dealer with the CFTC. Any derivatives transactions with US persons must be effected in accordance with the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Finland, domicile Helsinki, Business ID 2858394-9
Further information on Nordea available on www.nordea.com

Pressure on the CNY continues



Nordea

Thank you!

