

Introduction

If China becomes the next superpower, what impact would that have on the global economy? China's growth has enabled them to move forward in the global economy. However, China faces problems including the aging population, poverty rates, environmental pollution, and over-dependency on non-renewable resources. If this change progresses, what can we expect and what should the United States' reaction be?

China's Growth

Economical

- Grew 9.7% annually from 1983-2000
- GDP in 2006 was \$10.5 trillion dollars (compared to the US \$12.9 trillion)
- In 1978, China was ranked 23 in world trade, but by 2006, it had become the 3rd largest
- Trade volume of \$1.8 trillion in 2006

Population

- Total population is 20.66% of the world's total
- Labor force accounts 25.40%
- By 2020, the employed population is expected to be 820 million
- 1978, China had 598 Universities recruiting 0.4 million students to 2006, it had 1,800 universities recruiting over 5 million students

China- A New Superpower?

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Problems Facing China

Massive population

- Twisted demographic foundation
- Extensive aging population

Poverty Rates

- Aging population will cause people of working age to drop
- Huge void of jobs that will need to be filled
- Lack of pension plans

Environmental Pollution

- Still very dependent on Fossil Fuels
- Vast amounts of smog
- Toxic river, dangerous coal mining, and rising health problems

Over-dependency on non-renewable resources

- Consumes 1/3 of the world's coal, steel and cement
- Use of non-ferrous metals could reach 30% of world's total

2011 : U.S. trade in goods with China

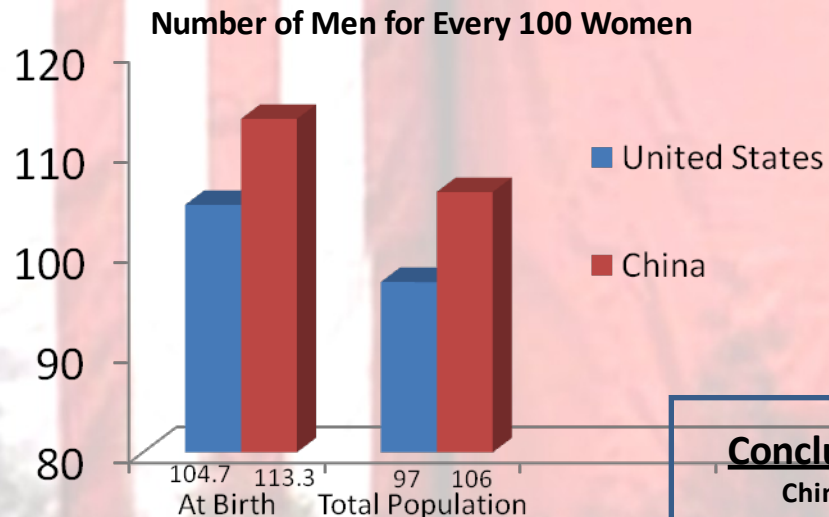
Month	Exports	Imports	Balance
January 2011	8,078.1	31,349.6	-23,271.5
February 2011	8,437.2	27,278.7	-18,841.5
March 2011	9,518.8	27,601.4	-18,082.6
April 2011	7,971.0	29,567.1	-21,596.0
May 2011	7,817.8	32,781.3	-24,963.5
June 2011	7,729.9	34,387.4	-26,657.5
July 2011	8,170.9	35,125.5	-26,954.7
August 2011	8,408.1	37,363.8	-28,955.7
September 2011	8,367.1	36,423.7	-28,056.6
October 2011	9,736.5	37,806.6	-28,070.1
November 2011	9,936.6	36,808.2	-26,871.6
December 2011	9,706.6	32,841.7	-23,135.2
TOTAL 2011	103,878.6	399,335.1	-295,456.5

NOTE: All figures are in millions of U.S. dollars on a nominal basis. Details may not equal totals due to rounding. Source: U.S. Census Bureau

*Can China become the next superpower?
What should we do?*

How Should We React?

- China is a different superpower: Not a rival, but an ally in trade, jobs, etc.
- Almost \$400 billion dollars in trade between the two in 2011
- Global implications of failure?



Data retrieved from the CIA World Factbook

Conclusion:

China certainly has grown to great proportions, but it has developed some very challenging problems. With the global economy at stake, we should hope that China does not fail.