

China Economic Panel (CEP)

// April 2021

Results of the April survey in detail

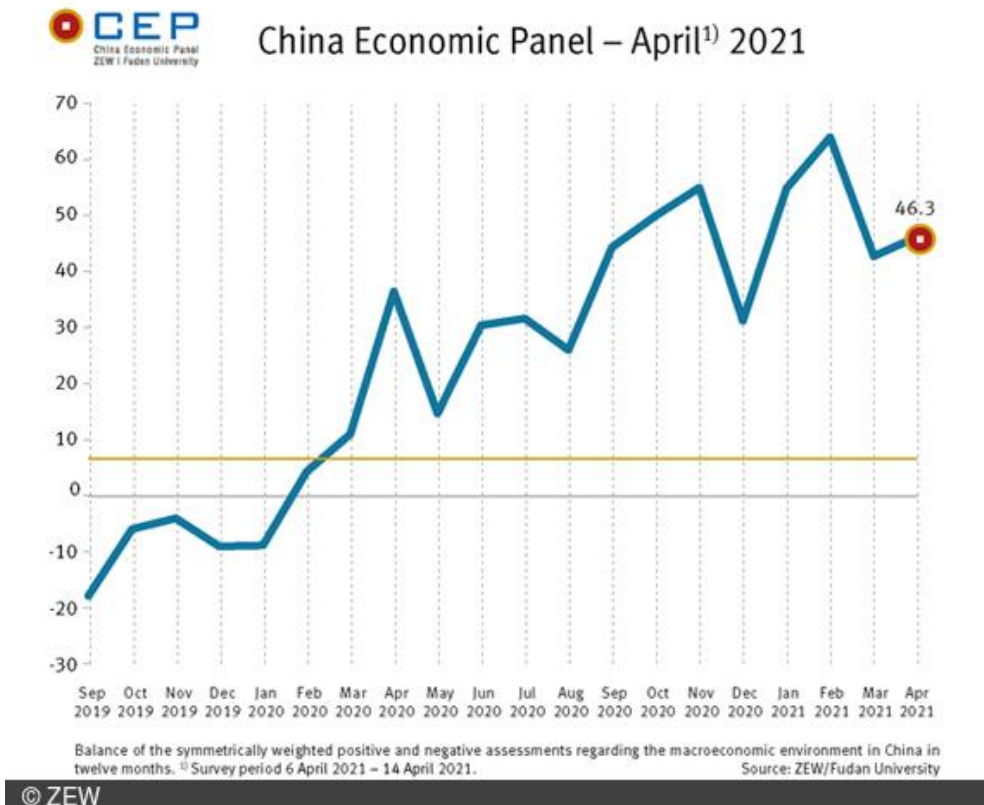
Expectations Slightly Improved

In the April 2021 survey (6 – 14 April 2021), the CEP indicator climbed 3.5 points to a new value of 46.3 points.

The CEP indicator, based on the China Economic Panel (CEP) and conducted by ZEW Mannheim in cooperation with Fudan University, Shanghai, reflects the economic expectations of international financial market experts for China on a 12-month basis.

The assessment of the current economic situation in China dropped slightly by 0.3 points to a new reading of 42.6 points. The economic outlook for China thus continues to be very positive.

figure 1: CEP Indicator April 2021



source: ZEW/Fudan

The forecasts for real gross domestic product (GDP) for the current year as well as for 2022 have been significantly revised upwards. The new GDP forecast for 2021 is 6.8 per cent, up from 6.0 per cent in the previous month. For 2022, the forecast was raised to a somewhat lesser extent, from 5.2 per cent to 5.6 per cent.

This change in forecast comes at the same time as the announcement of GDP growth in the first quarter of 2021. Compared to the same quarter last year, China's National Bureau of Statistics reports a significant increase of 18.3 per cent. "However, this increase should not be over-interpreted, as we all know that China experienced an economic slump one year ago," says Dr. Michael Schröder, who coordinates the survey in ZEW's Research Department "International Finance and Financial Management". In contrast, the quarter-on-quarter growth rate is all the more revealing. Compared to the fourth quarter of 2020, growth was only 0.6 per cent. This shows that economic growth has weakened in the course of the past few quarters. "It therefore remains to be seen whether the high quarterly growth rates from the second to fourth quarters of 2020 will be achieved again in 2021," Schröder continues.

China Economic Panel (CEP) will be discontinued

In April 2021, ZEW Mannheim conducted the survey on the China Economic Panel for the last time. This is because questions on China's economic and business cycle development have been integrated into the monthly ZEW Financial Market Survey since April 2021. In order to avoid redundancy in content, ZEW Mannheim is discontinuing the China Economic Panel. In future, you can obtain regular forecasts regarding the development of the Chinese economy from the results of the ZEW Financial Market Survey and the Financial Market Report. If you are interested in receiving these survey results on a regular basis, please send an e-mail to kommunikation@zew.de and we will add you to our mailing list.

ZEW/Fudan China Economic Panel: Results April 2021										
Current economic situation	very good	good	normal	bad	very bad	balance				
China	11.1 (+0.4)	70.4 (+2.5)	11.1 (-6.7)	7.4 (+3.8)	0.0 (+/- 0.0)	42.6 (-0.3)				
Eurozone	0.0 (+/- 0.0)	26.9 (+8.4)	34.7 (-6.1)	34.6 (-2.4)	3.8 (+0.1)	-7.7 (+5.3)				
USA	0.0 (+/- 0.0)	42.3 (-2.1)	42.3 (+12.6)	15.4 (-10.5)	0.0 (+/- 0.0)	13.5 (+4.2)				
Economic expectation (1 Y)	improve	slightly improve	not change	slightly worsen	worsen	balance				
China (CEP-Indicator)	33.3 (-2.4)	33.3 (+1.2)	26.0 (+11.7)	7.4 (-10.5)	0.0 (+/- 0.0)	46.3 (+3.5)				
GDP (growth rate) in %	2021Q2	2021Q3	2021	2022						
China	6.7	6.4	6.8	5.6						
Eurozone	0.4	0.6	0.7	1.9						
USA	2.0	2.8	2.6	2.4						
Inflation (CPI) in %	3 months			1 year						
China	1.0 (1.1)			1.9 (2.1)						
Eurozone	0.8 (0.7)			1.2 (1.0)						
USA	1.9 (2.1)			2.1 (2.5)						
Producer Price Index (PPI) in %	3 months			1 year						
China	2.3 (1.5)			2.4 (1.7)						
Wage Inflation in %	3 months			1 year						
China	4.5 (5.4)			5.0 (5.5)						
Eurozone	3.1 (2.1)			3.5 (2.5)						
USA	1.9 (2.7)			2.8 (3.5)						
Interest rates	3 months			1 year						
SHIBOR (3 months)	2.7 (2.8)			2.7 (3.0)						
One-year deposit rate	1.5 (1.5)			1.6 (1.6)						
One-year lending rate	4.1 (4.2)			4.1 (4.2)						
Stock market indices	3 months			1 year						
SSE Composite Index	3,481 (3,458)			3,837 (3,571)						
Hang Seng Index	28,799 (28,938)			29,662 (29,509)						
Growth Enterprise Market Index (SZ)	2,894 (2,769)			3,034 (2,866)						
Sci-Tech innovation board index (STAR) <i>Starting Jan 2021</i>	1,326 (1,311)			1,448 (1,390)						
WTI Crude Oil (US-Dollar)	62 (68)			62 (70)						
Monetary aggregate M2 (6 M)	increase	slightly increase	not change	slightly decrease	decrease	balance				
China M2 growth rate	21.7 (+0.9)	60.9 (+15.1)	13.1 (-7.8)	4.3 (-4.0)	0.0 (-4.2)	50.0 (+14.6)				
Specific indicators China (1 Y)	increase	slightly increase	not change	slightly decrease	decrease	balance				
Foreign exchange reserves	12.5 (-2.9)	62.5 (+8.7)	12.5 (-2.9)	8.3 (+0.6)	4.2 (-3.5)	35.4 (+4.6)				
FDI outflow (out of China)	0.0 (-12.0)	75.0 (+23.0)	16.7 (+0.7)	8.3 (-7.7)	0.0 (-4.0)	33.4 (+7.4)				
FDI inflow (into China)	8.3 (-7.7)	58.3 (+14.3)	16.7 (+0.7)	16.7 (+8.7)	0.0 (-16.0)	29.1 (+11.1)				
Export activity	44.0 (+13.2)	44.0 (-2.2)	4.0 (-11.3)	8.0 (+0.3)	0.0 (+0.0)	62.0 (+11.9)				
Import activity	16.0 (-7.1)	60.0 (+2.3)	8.0 (+4.2)	12.0 (+4.3)	4.0 (-3.7)	36.0 (-4.4)				
Private Consumption	16.0 (-14.8)	64.0 (+25.5)	12.0 (-11.1)	8.0 (+4.2)	0.0 (-3.8)	44.0 (-0.4)				
Private Investment	15.4 (-7.7)	53.8 (+11.5)	15.4 (-3.8)	15.4 (+7.7)	0.0 (-7.7)	34.6 (+1.9)				
Govt. Consumption	34.6 (-9.4)	46.2 (+10.2)	15.4 (+3.4)	3.8 (-4.2)	0.0 (+0.0)	55.8 (-2.2)				
Debt Domestic	32.0 (+4.0)	64.0 (+8.0)	0.0 (-12.0)	4.0 (+0.0)	0.0 (+0.0)	62.0 (+8.0)				
Debt Foreign	16.0 (+8.0)	40.0 (-8.0)	32.0 (-4.0)	12.0 (+4.0)	0.0 (+0.0)	30.0 (+2.0)				
Employment rate	8.0 (-4.0)	52.0 (+4.0)	32.0 (+4.0)	4.0 (-4.0)	4.0 (+0.0)	28.0 (+0.0)				
Growth rate of new car registrations	24.0 (+12.0)	44.0 (-16.0)	28.0 (+12.0)	4.0 (-8.0)	0.0 (+0.0)	44.0 (+8.0)				
Total share of world trade	23.1 (+3.1)	69.2 (+17.2)	3.9 (-8.1)	3.8 (-8.2)	0.0 (-4.0)	55.8 (+19.8)				
Exchange rates	3 months			1 year						
Yuan / US-Dollar	6.60 (6.51)			6.66 (6.65)						
Yuan / Euro	7.76 (7.74)			7.81 (7.81)						
Sectors (1 Y)	increase	slightly increase	not change	slightly decrease	decrease	balance				
Retail banking	17.4 (-3.4)	65.2 (+6.9)	13.1 (+4.7)	4.3 (-8.2)	0.0 (+/- 0.0)	47.9 (+4.2)				
Investment banking	17.4 (-20.1)	65.2 (+27.7)	13.1 (+0.6)	4.3 (-4.0)	0.0 (-4.2)	47.9 (+/- 0.0)				
Insurance	21.7 (-11.6)	56.5 (+10.7)	21.8 (+9.2)	0.0 (-8.3)	0.0 (+0.0)	50.0 (-2.1)				
Automotive	34.8 (+18.1)	52.2 (-6.1)	8.7 (-3.8)	4.3 (-4.0)	0.0 (-4.2)	58.8 (+21.3)				
Chemical / Pharmaceutical	34.8 (+1.5)	65.2 (+11.0)	0.0 (-12.5)	0.0 (+0.0)	0.0 (+0.0)	67.4 (+7.0)				
Machinery / Engineering	30.4 (+1.2)	43.5 (+1.8)	26.1 (+9.5)	0.0 (-12.5)	0.0 (+0.0)	52.2 (+8.4)				
Electronics	34.8 (+5.6)	52.2 (+6.4)	13.0 (-3.7)	0.0 (-8.3)	0.0 (+0.0)	60.9 (+12.9)				
Retail and commerce	29.2 (+1.2)	50.0 (+2.0)	20.8 (+4.8)	0.0 (-4.0)	0.0 (-4.0)	54.2 (+8.2)				
Construction	26.1 (-7.2)	52.2 (+6.4)	13.0 (+4.6)	8.7 (+0.4)	0.0 (-4.2)	47.9 (+/- 0.0)				
Energy	39.1 (+5.8)	43.5 (-6.5)	17.4 (+0.7)	0.0 (+0.0)	0.0 (+0.0)	60.9 (+2.6)				
Information Technology	47.8 (+10.3)	43.5 (+1.8)	8.7 (-7.9)	0.0 (-4.2)	0.0 (+0.0)	69.6 (+13.3)				
Services	39.1 (-2.6)	34.8 (+5.6)	26.1 (+5.3)	0.0 (-8.3)	0.0 (+0.0)	56.5 (+4.3)				
Economic expectation (1 Y)	improve	slightly improve	not change	slightly worsen	worsen	balance				
Beijing	26.1 (-3.1)	52.2 (+10.5)	17.4 (-7.5)	4.3 (+0.1)	0.0 (+0.0)	50.1 (+2.1)				
Shanghai	34.8 (-2.7)	43.5 (-2.3)	17.4 (+4.9)	4.3 (+0.1)	0.0 (+0.0)	64.4 (-3.9)				
Hong Kong	17.4 (+9.1)	26.1 (+1.1)	0.0 (-25.1)	47.8 (+27.0)	8.7 (-12.1)	-2.2 (+8.2)				
Guangzhou	21.7 (+4.3)	56.5 (+8.7)	13.1 (-8.7)	8.7 (-4.3)	0.0 (+0.0)	45.6 (+10.8)				
Shenzhen	34.8 (+8.7)	52.2 (+8.7)	8.7 (-13.0)	4.3 (-4.4)	0.0 (+0.0)	58.8 (+15.3)				
Tianjin	8.7 (-4.3)	26.1 (+4.4)	43.5 (+8.6)	21.7 (-4.4)	0.0 (-4.3)	10.9 (+4.4)				
Chongqing	21.7 (+0.0)	39.1 (+21.7)	30.6 (-4.3)	4.3 (-17.4)	4.3 (+0.0)	34.8 (+19.5)				
Real estate price expectation (1 Y)	increase	slightly increase	not change	slightly decrease	decrease	balance				
Beijing	13.0 (-7.8)	56.5 (-1.8)	17.5 (+4.9)	13.0 (+4.7)	0.0 (+0.0)	34.8 (-11.0)				
Shanghai	21.7 (-3.3)	60.9 (+6.7)	8.7 (-12.1)	8.7 (+8.7)	0.0 (+0.0)	47.8 (-4.3)				
Hong Kong	4.3 (-16.5)	34.8 (+18.1)	26.1 (+1.1)	26.1 (-3.1)	8.7 (+0.4)	-0.1 (-6.4)				
Guangzhou	4.3 (-4.4)	65.2 (+13.0)	17.5 (-17.3)	13.0 (+8.7)	0.0 (+0.0)	30.4 (-2.3)				
Shenzhen	21.7 (+0.0)	69.6 (+17.4)	0.0 (-17.4)	8.7 (+0.0)	0.0 (+0.0)	52.2 (+8.7)				
Tianjin	0.0 (-4.3)	26.1 (+0.0)	52.2 (+13.0)	21.7 (-8.7)	0.0 (+0.0)	2.2 (+0.0)				
Chongqing	0.0 (-8.7)	52.2 (+26.1)	30.5 (-8.6)	13.0 (-13.1)	4.3 (+4.3)	15.3 (+6.6)				

Note: 27 analysts participated in the April survey, which was conducted during the period 4/6-4/14/2021. The analysts were asked about their expectations for the respective time horizons (Y = year, M = month). Numbers displayed are percentages in case of directional forecasts (change compared to previous survey in parentheses) and numerical values in case of point forecasts (results of previous survey in parentheses). Balances refer to the weighted distributions from positive and negative assessments.