

Country Snapshot

The Economic Department



China

General Information

Capital:	Beijing	Global Competitiveness Index Ranking (Out of 141):	28
Population (m):	1,424	Corruption Perceptions Index Ranking: (Out of 180):	78
Local Currency:	Chinese Yuan Renminbi	Ease of Doing Business Ranking (Out of 190):	31
Exchange Rate (LCU:US\$)	7.0	Economic Freedom Ranking (Out of 180):	107
Head of State:	President – Xi Jinping	Enabling Trade Ranking (Out of 136):	61
	Premier of the State Council – Li Keqiang		

Recent Economic Indicators

	2022	2023	2024f	2025f
Real GDP Growth (% change YOY)	3.0	5.2	4.7	4.5
GDP (Bn\$, current prices)	17,886	17,701	18,560	19,782
Unemployment Rate (% yearly)	5.5	5.3	5.2	5.2
Inflation (Av)	1.9	0.7	1.7	2.2

Principal Export Destinations

United States 17%, Hong Kong 10%, Japan 5%

Principal Import Destinations

South Korea 8%, Japan 8%, Australia 7%, US 7%, Germany 7%

Principal Export Commodities

broadcasting equipment, computers, integrated circuits, office machinery and parts, telephones

Principal Import Commodities

crude petroleum, integrated circuits, iron

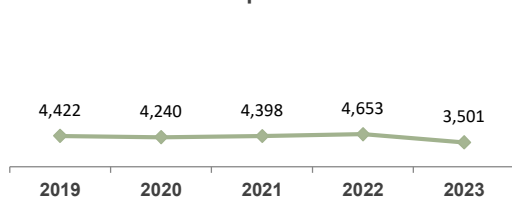
Key View*

- 1 Weak momentum going into 2024. We forecast a slowdown to 4.7% growth in 2024, amid the multi-year housing market downturn and poor external demand outlook.
- 2 The People's Bank of China (PBoC) kept the one-year MLF rate unchanged at 2.50.
- 3 We have revised down our fiscal deficit forecast to 6.5% of GDP in 2024, from 5.8% previously. The government is likely to spend more on stimulus to boost the slowing economy than we previously expected.
- 4 Tensions between Mainland China and the US will continue to negatively affect China's economy, despite the current momentum of a de-escalation drive. There has been no material change to US national security policy, which will continue to drive tensions between Washington and Beijing in the long term.
- 5 Lastly, foreign investors could remain on the sidelines for longer following Beijing's increased regulation of the economy as part of their national security laws, which has made the business environment increasingly challenging to navigate.

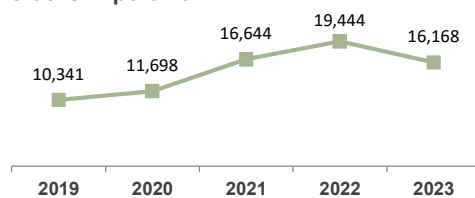
Israel's Goods Trade Relations with China

	M\$	% Change
Export	3,501	-25%
Import	16,168	-17%
Total trade (export + import)	19,668	
Trade Balance (export - import)	-12,667	

Israel's Export to China



Israel's Import from China



The Main Sectors of Goods Trade between Israel and

Export				China Import			
Sector	M\$	% Share	% Change	Sector	M\$	% Share	% Change
Optic Machinery	1522	44%	19%	Machinery, Electrical equipment	3494	22%	-16%
Fertilizers	393	11%	-72%	Machinery, Mechanic equipment	2247	14%	-27%
Electrical equipment exc. EIC	380	11%	-22%	Vehicles	1962	12%	13%
Machinery, Mechanic equipme	345	10%	30%	Apparel and Clothing	949	6%	-20%
Electronic Integrated Circuits	120	3%	-90%	Plastics	577	4%	-19%

* Jan 2024

Compiled by The Israel Export Institute - The Economic Department
Data from the CBS, IMF, Fitch, CIA