



China's 6.9 On Target

1. 6.9 percent growth meant **China's economy added double the purchasing power in 2015 than it did in 2005**, when it was growing at 11.4 percent. That's more RMB to be spent on Australian beef, dairy, etc.

2. Consumption accounted for 66.4 percent of China's GDP growth in 2015. This was **up 15 percentage points from 2014**.

3. Retail sales grew at 10.7 percent in 2015. Independent data sources confirm robust household consumption. **Westpac's China Consumer Sentiment Index is higher now than it was a year ago**.

4. **Services grew at 8.3 percent in 2015, up from 7.9 percent in 2014**. Independent data sources confirm robust services growth.

The Caixin Services Purchasing Managers Index has consistently been above 50, meaning **improving conditions, month on month**.

5. **The services sector now accounts for more than half of China's GDP**, 50.5 percent. That's 10 percentage points more than the secondary sector (manufacturing and construction).

6. **Conditions in the manufacturing sector are poorly reported**. The official story is that industrial production fell to 6.1 percent in 2015, down from 8.3 percent in 2014.

The Caixin Manufacturing Purchasing Managers Index has consistently been below 50. But as Anatole Kaletsky, Chief Economist for Gavekal Dragonomics explains, "...50 is the dividing line not between growth and recession but between accelerating and slowing growth".