

**GT: What is China's economic recovery outlook in 2023? Will there be a V-shaped recovery?**  
**Sachs:** China can expect robust economic growth based on the continuing build-out of 5G, green energy, and other core infrastructure. China will be a major exporter of technology and infrastructure to Southeast Asia, Africa, and Latin America as well. I think we can count on robust growth.

**GT: For years, the Western perception of the Chinese economy has alternated between two extremes:**

The "China collapse" theory, or the "China threat" theory. Bloomberg said recently that China's economic recovery could be the "next big threat to global inflation." What's your opinion on these narratives?  
**Sachs:** China is neither about to collapse nor threaten the world economy. These are overheated reactions by US commentators.

**GT: What are the major challenges to the gloomy global economy in 2023? How should major economies jointly tackle these challenges?**

**Sachs:** The key to global recovery and prosperity is peace. Unfortunately, the US is exacerbating geopolitical tensions rather than solving them. The US is deliberately trying to divide the world economy between a US-led component and a China-led component. This is dangerous and destructive, including to the US itself. The crisis in Ukraine could

**Editor's Note:**

In the face of great external uncertainty caused by continued geopolitical conflicts and political interference in normal economic and trade cooperation, China has set its economic growth target at around 5 percent this year. The modest target mirrors China's confidence in achieving steady economic growth while promoting transformation for quality growth. As the US' misguided policy stokes the possibility of more severe impacts on the global economy, will China realize a strong economic recovery this year? How should China continue to play the important role of a stabilizing force and contributor to the global economy? In an interview with the Global Times reporter Wang Yi (GT), Jeffrey Sachs (Sachs), renowned American economist, and professor at Columbia University, shared his views on these topics.

end quickly if the US agreed to stop trying to expand NATO to Ukraine and Georgia. That attempt at NATO expansion is the underlying reason for the US-Russia conflict.

The disruptions, including to China, will be very large. Fortunately, China can help lead the world in photovoltaics, advanced digital technologies, green hydrogen, electric vehicles, battery storage, green steel (using hydrogen rather than coking coal).

**GT: Did you follow the 20th National Congress of the Communist Party of China held in October 2022? What does the consistency of China's policy as well as China's stability mean for the world?**

**Sachs:** China's pursuit of "common prosperity," 21st-



**Jeffrey Sachs** Photo: Courtesy of Jeffrey Sachs

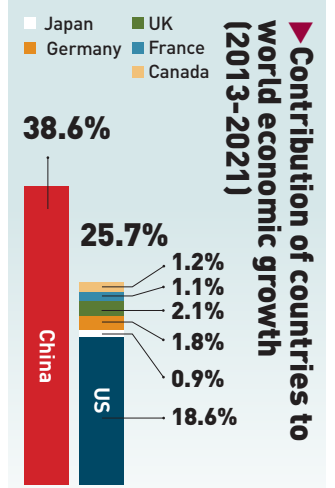
century solutions grounded in ancient Chinese ethics, and global harmony and sustainable development, are all notable parts of China's policy framework. I support all of

► BRI will help developing countries pursue sustainable development: economist

# World can count on rebound of China's economy in 2023



A view of Suzhou, East China, Jiangsu Province Photo: VCG



Source: Database of World Development Indicators in World Bank  
 Graphic: Chen He/GT

these. I especially hope that China will continue with a Green BRI to help developing countries build and finance modern, green, digital infrastructure for the 21st century.

**GT: Do you think another Cold War is avoidable? In the short and medium-to-long term, how do you see the consequences of the US containment strategy against China to the world?**

**Sachs:** The US policy is completely misguided, and based on ignorance of history. American politicians believe that it is America's right to lead the world, even though the US represents a mere 4 percent of the world population. American politicians know very little about world history, geography, or the interests of other parts of the world. It's all very sad and dangerous, as it stokes the possibility of war. American politics and mass media tend to vastly oversimplify complex issues.

## International institutions raise forecast for nation's GDP growth this year

Since the start of 2023, foreign institutions have collectively raised their expectations for China's economic growth this year.

On Monday, USB raised its forecast for China's GDP growth for this year to 5.4 percent from the previous 4.9 percent. Wang Tao, a USB economist said on Tuesday during a teleconference that the main reason for the upgrade of China's economic growth forecast is the country's economic reopening in January-February being better than they had expected, the feared "second wave" of COVID infections didn't materialize, and supply disruptions were minimal.

In addition to the boost and recovery

in consumption, Wang pointed to the stabilizing rebound in the real estate industry as one of the key reasons for its upward revision of China's economic growth forecast.

Over the last three weeks, the average daily sales in the property market among China's 30 major cities have significantly exceeded 2022's levels and are fast approaching 2019 levels sooner than expected.

Wang noted that China's GDP growth in the first quarter of the year could be around 3 percent year-on-year.

UBS analyst Meng Lei said that A-shares are still at a low valuation level, and short-term market consolidation

has provided investors with good layout opportunities. As various optimistic factors appear, overseas funds will continue to net an inflow of A-shares.

US investment bank JPMorgan also recently raised its forecast for China's GDP growth by 1 percentage point to around 5.6 percent in 2023. According to Zhu Haibin, chief China economist at the bank, the recovery in consumption is the most important driver of China's economic growth this year.

Shan Hui, chief China economist for Goldman Sachs Research, said that his forecast for China's full-year economic growth in 2023 reached 5.5 percent this year from a previous 3 percent. He

noted the most important contributor to China's economic growth is residential consumption, which is expected to grow by 8.5 percent this year.

Xing Ziqiang, also known as Robin Xing, chief China economist at Morgan Stanley also said recently that China's economic growth is expected to reach 5.7 percent in 2023, 0.7 percentage points higher than the previous forecast in November 2022.

Global Times

