

Macro Roundup Article

Headline: [An Economic Hail Mary for China](#)

Article Link: <https://www.project-syndicate.org/commentary/china-population-aging-lowering-economic-growth-by-yi-fuxian-2023-04>

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Tweet: [.@fuxianyi argues that evidence from demographically older provinces northeastern China \(where the economy is the same size as in 2012\) foreshadows the future impact of demographic change on southern and western China.](#)

Summary: While population aging may not directly cause economic recession, a higher aging index – the number of people aged 59 and over per 100 individuals younger than 15 – has a strong negative correlation with GDP growth, as does a higher median age and proportion of people over 59. A higher proportion of children aged 14 and under correlates positively with GDP growth. These dynamics are already apparent across Chinese regions. With relatively younger populations, southern and western China are still growing. But in the Heilongjiang, Liaoning, and Jilin provinces of northeastern China – where fertility rates fell a decade ahead of the rest of the country – the economic engine has stalled. Though China's government claims that northeastern China's economy grew by 5% annually in 2013-19 and by 3% annually in 2020-22, the fourth national economic census showed that the region's GDP in 2019 was the same size as in 2012.

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Primary Topic: Demographics

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