



# China Pledged Economic Reform. How is it doing?

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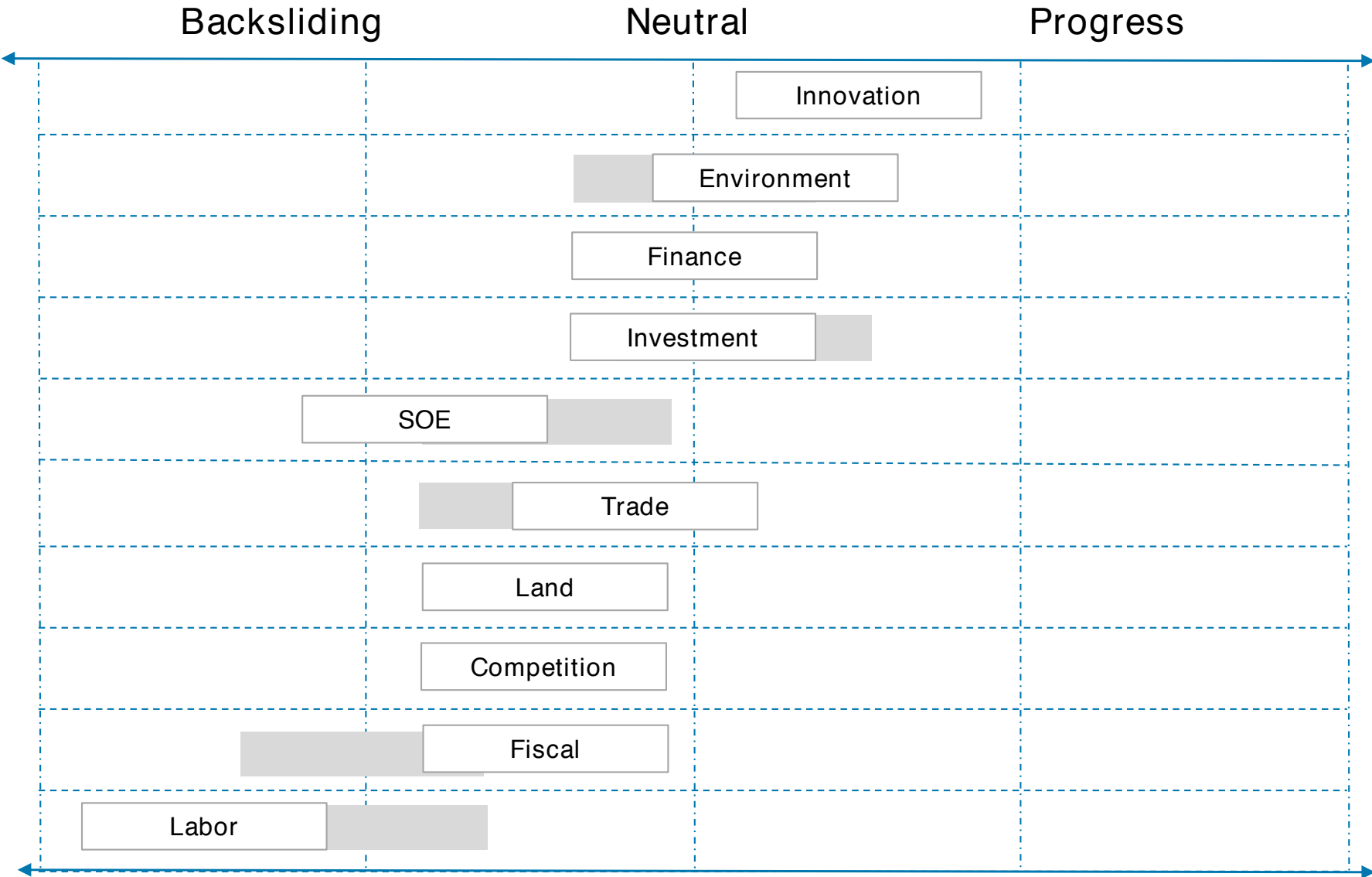
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# Not a Picture of Progress

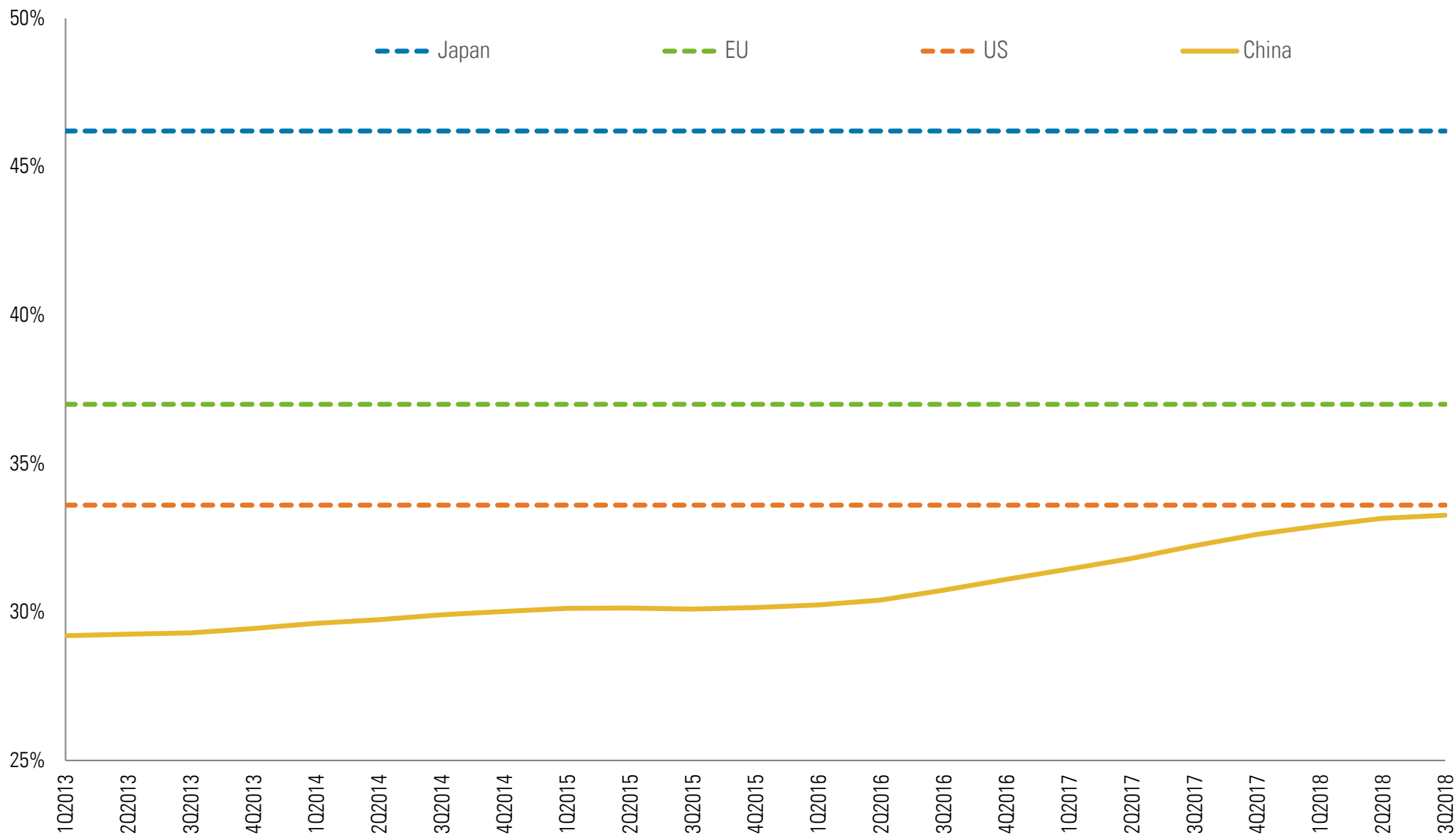
Net assessment Winter 2019, quarterly movement



Source: Rhodium Group and Asia Society Policy Institute.

# Innovation: Innovative Industrial Value-Added

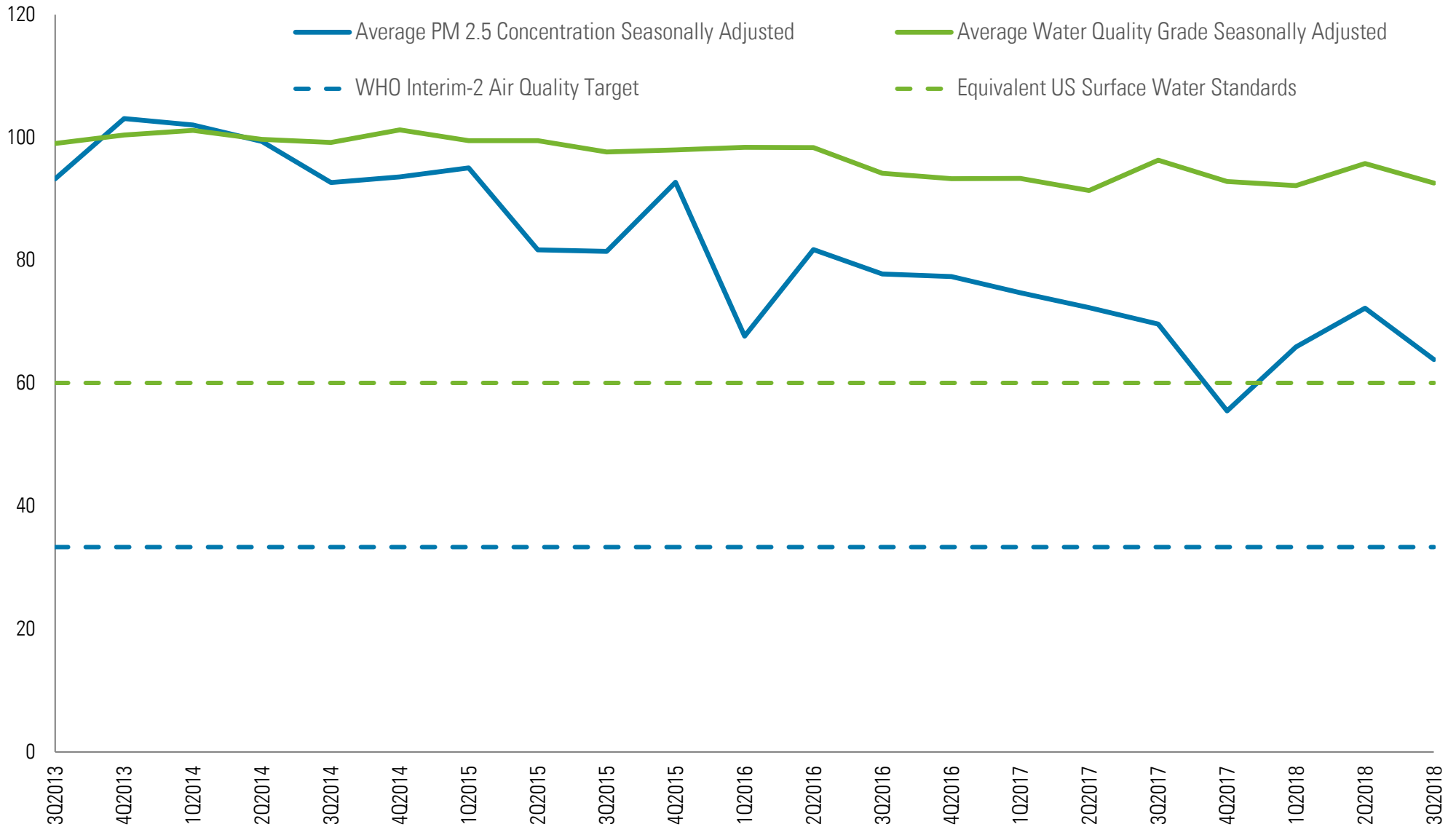
Percentage of innovation industrial value-added in total industrial value-added, 4qma



Source: National Bureau of Statistics, Rhodium Group

# Environment: Environmental Impacts

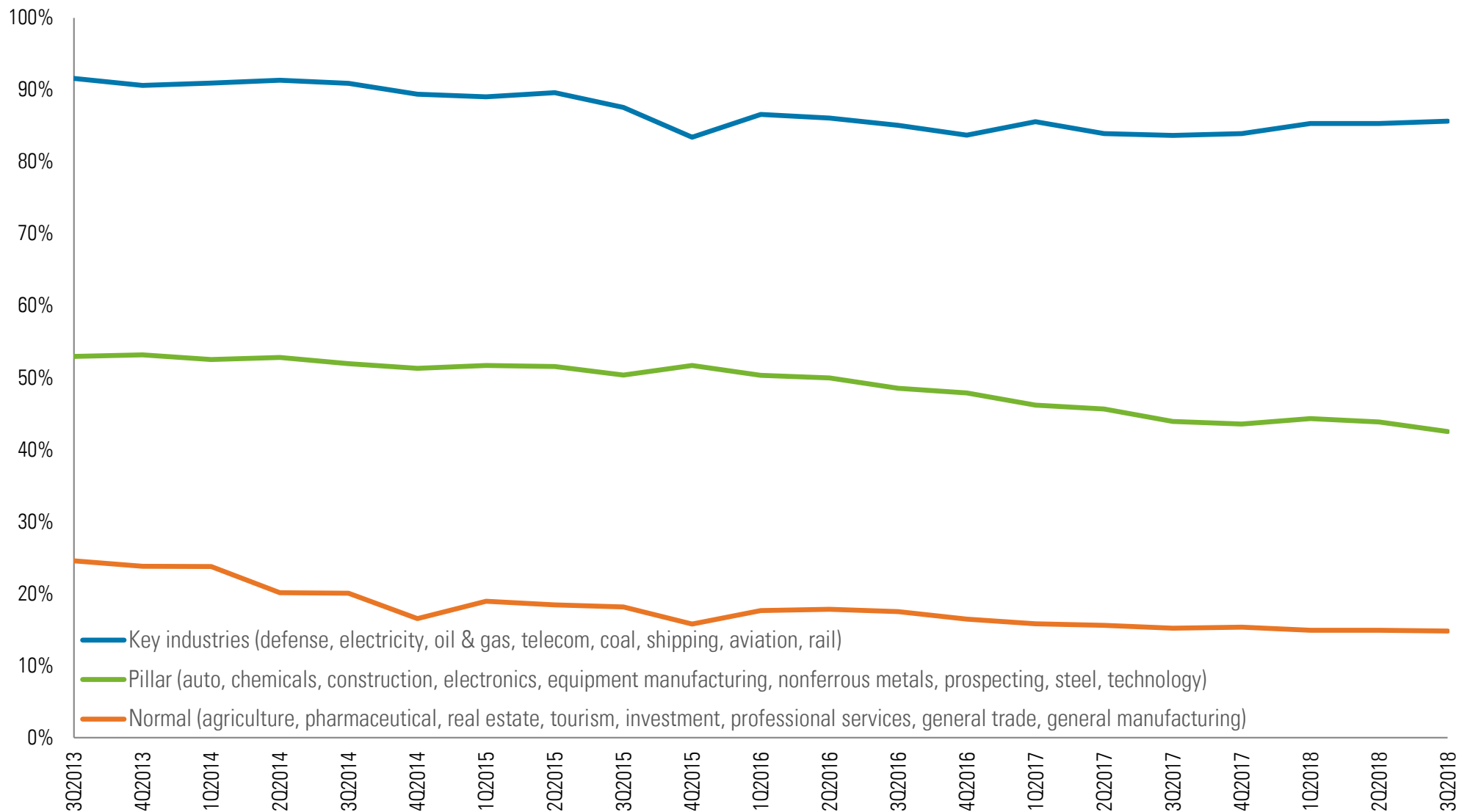
Movement down indicates improved air and water quality, Index Values



Source: U.S. Department of State, Ministry of Environmental Protection, Rhodium Group

# State-Owned Enterprises: The State's Share

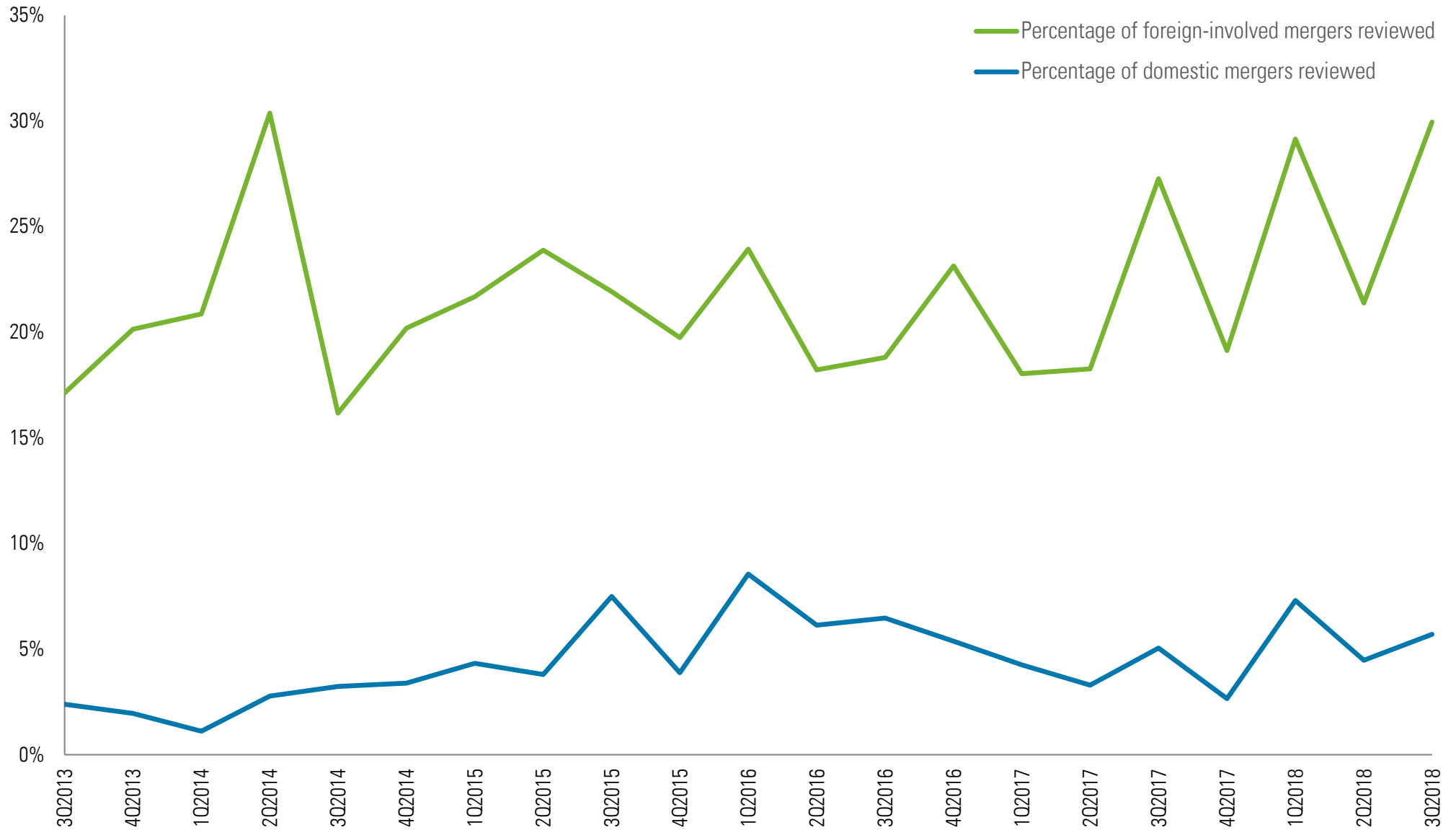
SOE revenue shares (listed companies) in normal versus officially identified special industry categories, 4qma, percent



Sources: Bloomberg, Rhodium Group

# Competition: Merger Reviews

Merger reviews as a percent of total mergers for foreign-involved and domestic transactions

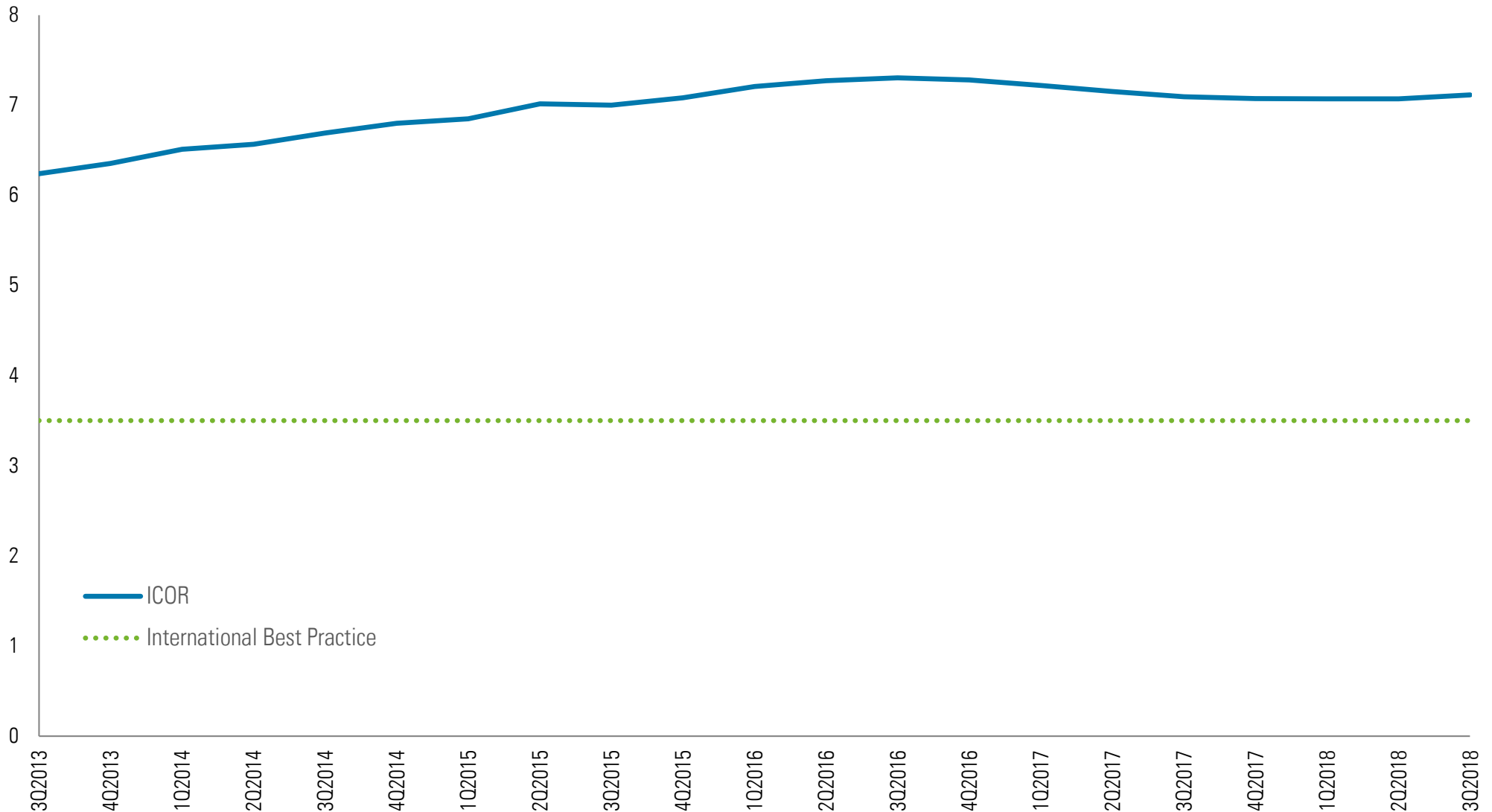


Source: Ministry of Commerce, Bloomberg, Rhodium Group

# Financial: Quarterly Incremental Capital Output Ratio (ICOR)

Ratio of gross capital formation to GDP growth (two quarters lag), IMF best practice for context

4qma



Source: National Bureau of Statistics, Rhodium Group

# Main Takeaways

1. Concerns about China's structural reform progress are legitimate, not a pretense for tensions.
2. Challenges accomplishing these goals are normal; but if you can't talk about it, you can't fix it.
3. OECD policy should be data driven: an objective basis for expectations is possible.