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## China's economic outlook positive, driven by innovation

New survey data from CPA Australia shows business professionals in China have a positive outlook on the nation's economy and are confident their own businesses will perform well in 2016, with policies that encourage innovation contributing to their optimism.

The annual economic sentiment survey reveals more than half of respondents (56 per cent) expect China's GDP to grow by 6.5 per cent or more, with respondents most likely to expect the economy to expand by 6.5 to 6.9 per cent.

Alex Malley, chief executive of CPA Australia, says the survey results indicate that China's business leaders are cautiously optimistic about the year ahead.

"Despite slowing growth, China's economy is still growing strongly and there is much to be positive about China in 2016 and beyond.

"Just over half of the respondents (51 per cent) declared some form of confidence in next year's economy, while only 11 per cent were pessimistic. Further, 55 per cent of respondents expect the revenue they generate in China to increase in 2016 and 48 per cent expect to increase their headcount in China.

"These results indicate that people in China increasingly understand that the 'new normal' economic growth rate is still very healthy and significant new opportunities are emerging, particularly for companies focused on innovation, quality and overseas expansion.

"The results of our survey also show that policies increasing the funding available to innovative businesses, providing tax relief for qualifying companies and improvements to regulation will support growth in entrepreneurship and innovation. The Government's unveiling of China's major economic tasks for next year confirms this will continue in 2016."

Mr Malley said new market opportunities were also fueling optimism.

"There is real confidence in an innovation-led economy and the potential of market expansion," Mr Malley said.

"The Belt and Road Initiative is significant as it will boost development of vital trade infrastructure like roads, rail and ports within China and create new opportunities for Chinese businesses in emerging markets like Myanmar and further west into Europe.

"The China-Australia Free Trade Agreement is also important. This new flagship trade pact, which begins on 20 December 2015, will create significant opportunities for businesses in both countries."

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For further information please see CPA Australia's [China Economic Survey 2016 – Fact Sheet \(PDF\)](#).

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