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ECONOMY

Guangdong and Zhejiang seek 'above 5pc' growth

Salina Li
salina.li@scmp.com

With the country as a whole setting out to heal its economy after a difficult year, two mainland economic powerhouses have set less ambitious targets for their economies in 2023 while still vowing to create jobs and support the private sector.

Guangdong and Zhejiang – the big manufacturing hubs where private firms are hallmarks of the economies – both put growth targets at “above 5 per cent” for this year after missing their 2022 goals due to the zero-Covid policy, according to provincial parliamentary meetings yesterday.

As export hubs and major engines powering China's economy, their gross domestic product growth targets could help shed light on this year's national economic growth goal, which the central government will announce during the national legislative gatherings in March.

“The [Zhejiang] government will exhaust all measures to push for export growth and work with enterprises in expanding external markets and securing more orders,” provincial authorities said in their report yesterday.

They projected Zhejiang's GDP, which accounts for about 7 per cent of the national economy, grew by 3 per cent last year, or half of the 6 per cent goal it had set.

Guangdong, the country's largest regional economy, which accounted for 10.9 per cent of the national economy in 2021, is expected to have grown by 2 per cent last year, missing its target of 5.5 per cent and marking its slowest growth rate since the pandemic began in 2020. That would put its 2022 GDP at 12.8 trillion yuan (HK\$14.8 trillion), the same as South Korea or Canada.

“We plan to introduce a new batch of billion-dollar-level programmes to attract foreign investment,” Guangdong authorities said, adding the security and resiliency of industrial and supply chains would be enhanced.

“We will unveil guidelines to promote private economic

development ... We will support micro, small and medium-sized companies.

“The private economy is the main force supporting Guangdong's economy. Local governments at all levels should proactively address difficulties for

private companies and boost their confidence.”

China is set to have missed its original GDP growth target of “around 5.5 per cent” for last year as repeated coronavirus-induced lockdowns across the country took a heavy toll on manufacturing activities and business confidence in the domestic market.

But with Beijing having abandoned its zero-Covid policy and opting for a gradual reopening of its border, the economy is widely expected to recover this year. And while analysts expect the nation to have a bumpy road ahead amid the transition to living with Covid, policymakers are still likely to set another GDP growth target of around 5 per cent for 2023.

¥12.8tr

The estimated size of Guangdong's economy, in yuan, in 2022 after a 2 per cent growth, missing its 5.5 per cent target