China says 2018 growth target to reflect new changes in economy

By Yuyang Liu
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China's economic growth target for 2018 will reflect new changes in the economy as the government put more emphasis on higher quality development, the State Council Information Office said on Monday.

The government will set its key targets for 2018 "after earnestly studying new performance, new situations and new problems", the office, the government's public relations arm, said in a statement in response to Reuters' requests for comment on a source-based story.

"China's economic and social development still faces many contradictions and challenges that need to be seriously resolved and dealt with," it said.

Policy sources have told Reuters that China's leaders are likely to maintain this year's growth target of "around 6.5 per cent" in 2018, even as they ratchet up efforts to control systemic risks from a rapid build-up of debt in the world's second-largest economy.

The International Monetary Fund (IMF) and some economists have suggested that Beijing do away with growth targets to reduce the country's long reliance on debt-fuelled stimulus and encourage more productive investment.

Specific economic targets for 2018, which include GDP, inflation, the budget deficit and money supply, are likely to be set during an economic work meeting this month, but are not expected to be announced until the annual parliament meeting in March.

China will strive for higher quality, more efficient and fair growth, the information office said, reiterating a pledge made by President Xi Jinping at a party congress in October.

Buoyed by sustained state spending, a construction boom and resurgent exports, analysts forecast China's economy should beat the official growth target for this year.

The economy grew 6.7 per cent last year, a 26-year low, but has expanded 6.9 per cent in the first three quarters of 2017.

Still, economists polled by Reuters expect a slowdown next year to 6.4 per cent as measures to curb rising housing prices and efforts to deal with debt risks gain more traction.