WHAT DOES

# China's maturing economy

MEAN FOR U.S. INVESTORS IN 2018?

## China's economy has reached **an inflection point**

China's economy has stabilized for the first time following a seven-year deceleration that was caused by an exodus of manufacturing companies in the country.

The Chinese consumer has continued to strengthen despite the manufacturing exodus, and the economy has now reached an inflection point where the consumer will be driving economic growth.

Using Prevedere's real-time external insights engine, our economists' model predicts that manufacturing in China will continue to decelerate in 2018 as the consumer grows stronger. You can download our webinar for the full analysis: **"China's Promising Economic Outlook for 2018"**.

## The new **Chinese consumer**

For the first time last year, the consumer was responsible for 50 percent of GDP in China, which along with other key factors such as wage growth and positive consumer sentiment, indicates that the Chinese consumer is now able to carry the economy. As such, the outlook for retail and CPGs in China is very positive.

## Key takeaways for **U.S. companies looking to invest in China in 2018**

In 2018, U.S. companies need to plan for a "new" China:

- With the exception of auto, China is not the place to invest for companies looking for cheaper manufacturing options.
- Instead, U.S. companies should be marketing their goods and services to the Chinese consumer; sentiment is up and the younger generations have more disposable income than previous ones.

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