

Geography In The News™

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CHINA'S GROWING ECONOMY

At present rates of growth, China could replace the United States as the world's economic leader within the next decade, a situation unbelievable scarcely 20 years ago. In fact, the United States' surging national debt now is heavily financed by China and Japan, leaving the U.S. economy vulnerable to the whims of others, including a communist country.

This transformation is occurring not only because one in every five people on earth is Chinese, but because China's economy is growing at phenomenal 8 or 9 percent annually. Meanwhile, most Western countries' economic growth, including that of the United States, hardly averages 3 percent.

Lester R. Brown posted a very serious analytical article, "China Replacing the United States as World's Leading Consumer," on the *Earth Policy Institute's* web site (Feb. 16, 2005). This posting contains indisputable evidence of China's exponential growth in economic consumption and production.

China's population is 1.3 billion and its area is 3.6 million square miles (9.3 million sq. km.). The United States has about 300 million people in an area approximately the same size as China, making China's population density almost five times greater.

China has an energetic population, anxious to achieve success and willing to endure hardships to reach personal financial goals. Domestic Chinese savings and personal incomes are at record highs, as the Chinese economy and its international standing gather steam.

According to Brown, China has surpassed the United States in consumption of grain, meat, coal, steel, fertilizer, cell phones, televisions and refrigerators. And China is gaining fast in consumption of petroleum, personal computers and automobiles. In virtually every other category, China's consumption exceeds that

of the United States.

In the case of petroleum consumption in 2004, the United States was using 20.4 million barrels per day and China only 6.5 million. But U.S. consumption rose at 15 percent over the previous decade, while China's increased by more than 100 percent. China is now second only to the United States in petroleum consumption, having surpassed Japan.

The United States and China have the lion's share of the world's coal resources, enough to last for decades. China's combustion of 800 million tons per year and its rapidly increasing demands for petroleum mean that it and the United States now share the ignoble honor of being the world's largest carbon emitters and contributors to global warming.

Electronic goods are in great demand in China, particularly cell phones. Unlike the United States, where conventional telephones maintain a considerable market share, Chinese consumers are bypassing the older technology and moving straight to cell phones. China had 269 million cell phone in 2004, while the United States had 159 million.

Automobile ownership represents a major hurdle for the average Chi-

nese citizen who earned around \$6,800 per year in 2005, compared to Americans averaging over \$42,000. Nevertheless, ownership of scooters, mopeds and small fuel-efficient motorized vehicles is taking off, while the numbers of expensive European vehicles being purchased by the *nuevo riche* expands as well.

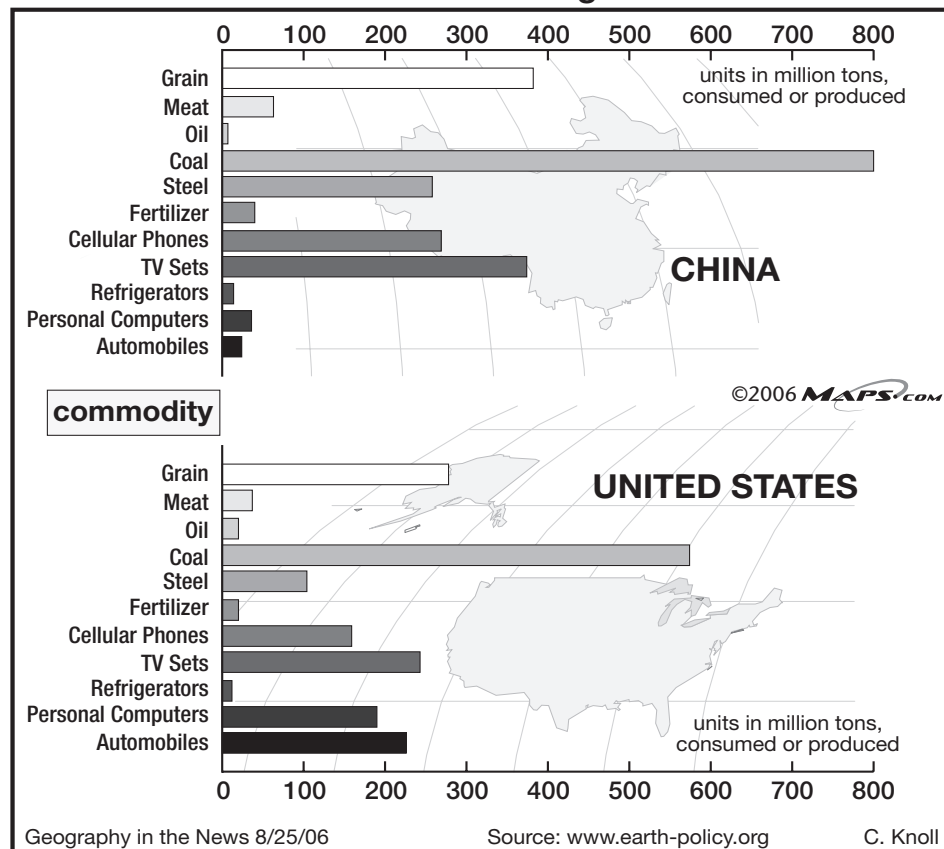
Most Western political and economic models predict that developing countries must achieve democratic governments in order for rapid economic progress to follow. Communist China is an exception, demonstrating that rapid economic growth can occur in a strictly controlled socialist country. It is possible that economic growth may lead toward a more tolerant and open political system in China in the future, but that will require many political changes.

It will be difficult for many Americans to accept China as the world's leading economic power, but the evidence for this possibility is clear.

And that is *Geography in the News™*. August 25, 2006. #847.

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Consumerism Growing In China



Source: www.earth-policy.org (Feb. 16, 2005) and CIA Factbook