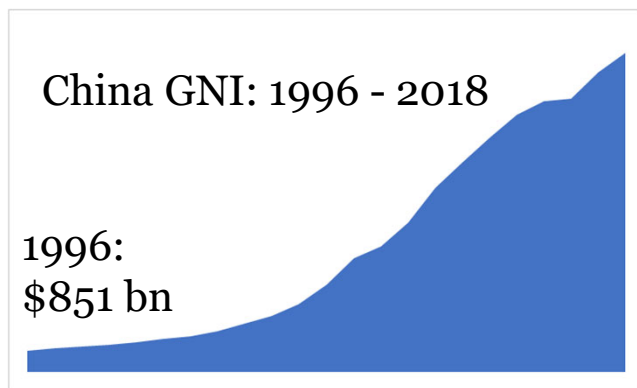




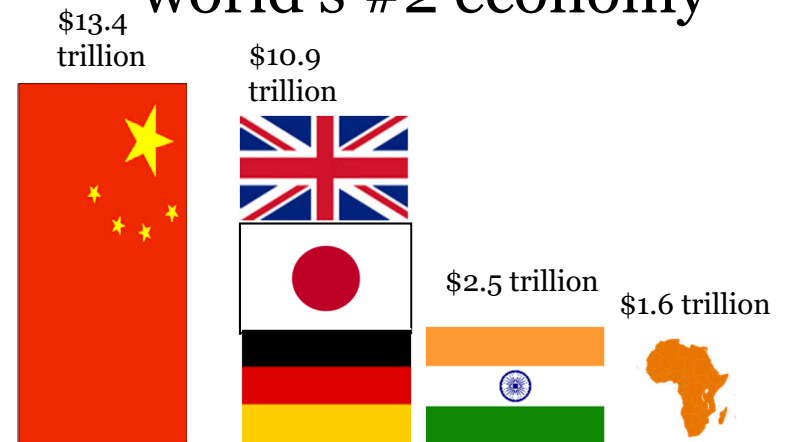
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ADMINISTRATION

## Spectacular growth -



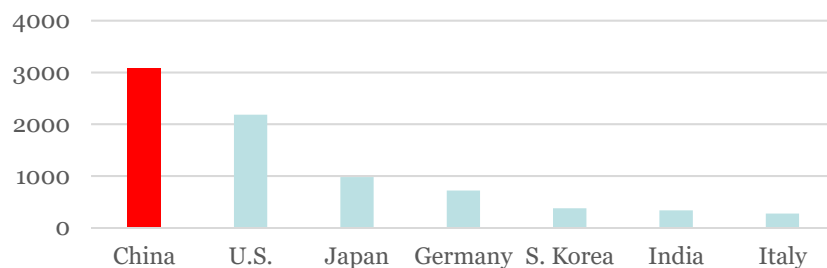
2018  
\$13.4 tn

- made China the world's #2 economy -



## - largest manufacturer -

*Manufacturing. Leading Countries, Value Added in Manufacturing (\$ billions)*

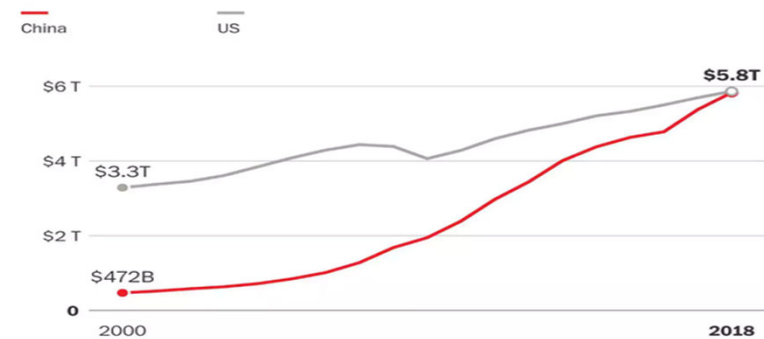


U.S. Department of Commerce | International Trade Administration

## - and retail market

### U.S. and Chinese retail sales are now equal

In 2018, domestic retail sales in China are expected to hit \$5.8 trillion, the same as in the United States.



Source: Mizuho



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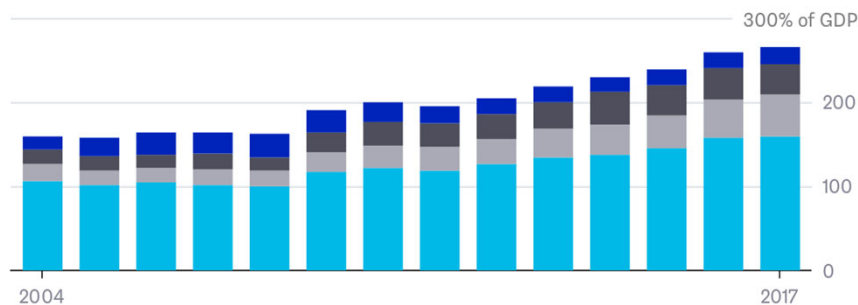
# Headwinds

Debt is Growing -

## Borrowing Binge

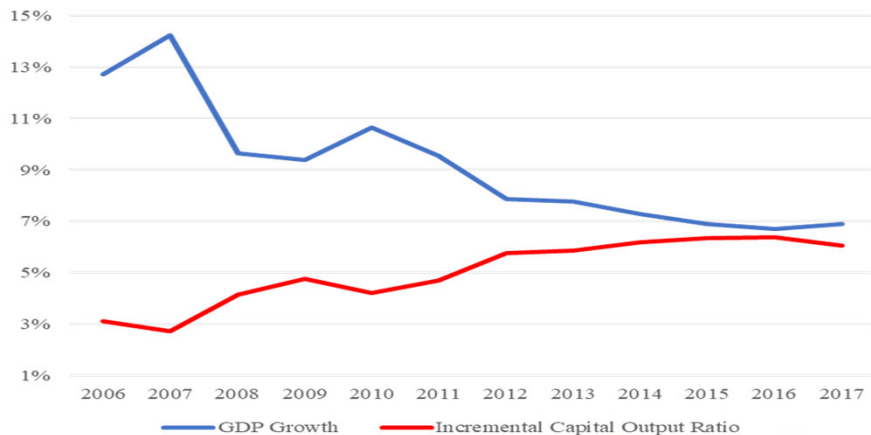
China's debt dwarfs its economy

■ Corporate ■ Household ■ Government ■ Bank

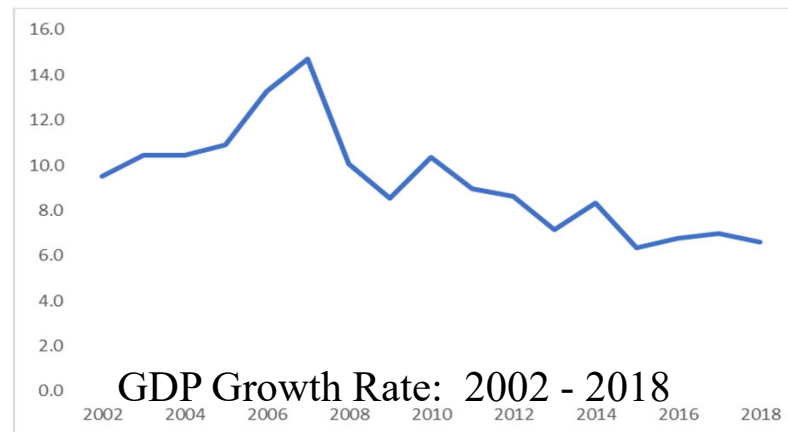


- and return on investment is falling -

Slowing Growth and Rising Capital Inefficiency  
GDP Growth vs. Incremental Capital Output Ratio since 2006



Growth is Slowing -



GDP Growth Rate: 2002 - 2018

- as the labor force shrinks

Chart 1

## Shrinking workforce

Growth in China's working-age (15-64) population has slowed, and the population will begin to shrink around 2020.

(growth in China's working-age population, percent)



Source: United Nations.



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# U.S. Firms are Successful in China

- **Estimated \$500 billion in annual sales**
- **\$256 billion in FDI**
- **69% report continued profit growth\***
- **22 of the top 100 brands in China\*\***

\*AmCham China 2018 Business Climate Survey

\*\*China RepTrak® 100

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## Sales from China

**64.7%**

Qualcomm

**42.9%**

Texas  
Instruments

**22.9%**

Intel

**18.9%**

Nvidia

**18.3%**

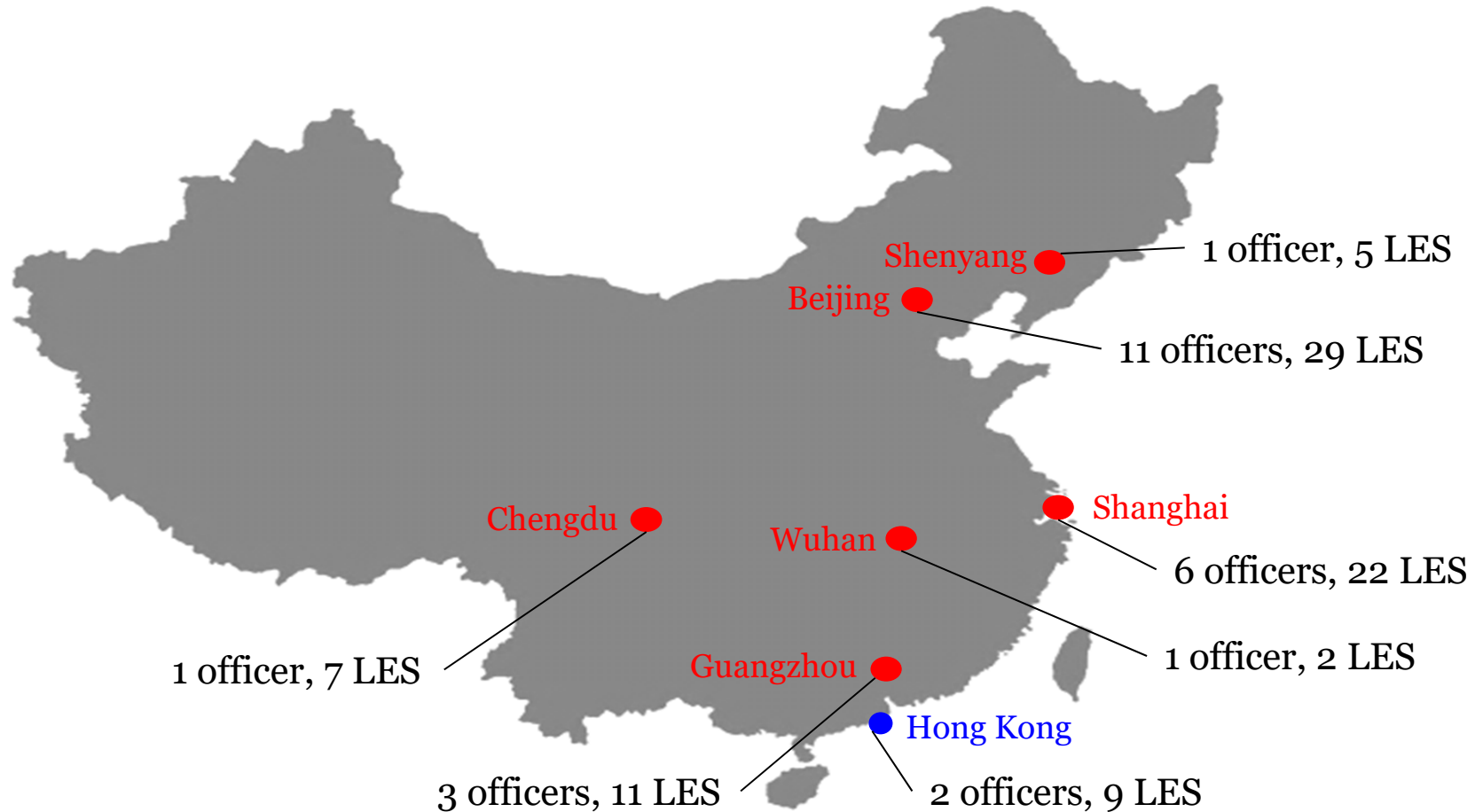
Apple

Source: FactSet



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# CS China Locations, Officers and Local Staff



**110 Total Staff**