Rising Wages, Yuan’s Appreciation and China’s Processing Exports

Yueqin Xing
National Graduate Institute for Policy Studies
Tokyo, Japan
1. Introduction

- The growth of China’s exports has turned into negative. -2.8% in 2015.
- It was more than 20% before 2010.
- Exports contributed more than 1/3 to China’s growth during the high growth period.
- Popular explanations:
  a) “Economic New Normal”
  b) The slowdown of global economy and trade;
  c) The law of large numbers
5. The Growth of Total Exports, OE, PAE and MAE

- The growth of processing exports fell much faster than ordinary exports.
- The growth of PAE has turned into negative after 2007.
- The growth of MAE dropped to zero in 2013 and became -10.1% in 2015.

Source: Author's calculation with the data of Chile Customs Office