

## China's economic growth may slow down: Expert

The Chinese economy is set to slow down in the next few years, a Beijing-based weekly reported Tuesday quoting an expert.

'According to our initial analysis, 2007 was probably the peak point of the current Chinese economic growth curve. The growth rate from this year on will slow down gradually,' Xu Xianchun, National Bureau of Statistics deputy director, told the China Economic Weekly.

According to Xu, the Chinese economy had registered an annual average growth rate of 12.8 percent for the past five consecutive years since 2003.

It was the second time since 1990 that the world's fourth largest economy witnessed such robust growth. Between 1992 and 1996, the Chinese economy soared annually by 12.4 percent on an average.

Such growth, however, would not last given the law of economic cycles, Xu said, adding a slowdown was certainly to take place after a peak point on the growth curve.

'Globally, it is rare for the economies to sustain a double-digit growth rate for five years in a row. So far, only Japan, Singapore and Hong Kong have scored such performance.'

Xu said the cyclical fluctuation was expected to be much milder than that in 1990-1999 decade and the Chinese economy looked to making a successful soft-landing in the coming years.

On the mounting inflationary pressure, Xu said the inflationary peak point of the current economic cycle was expected to show up in 2009, two years after the appearance of the growth peak.

'This year, we are facing a very severe situation in terms of inflation. In fact, we expected the inflation rate to drop in the second quarter but it didn't happen.'

According to Xu, it was probable that the drop of the inflation rate would be further delayed in the wake of the devastating May 12 quake that rocked the southwestern province of Sichuan and killed some 70,000 people.

Last week, the Institute of Finance Research under the People's Bank of China (PBOC) said in a report that the economy had slowed because of the US credit crunch, a spate of tightening measures and natural disasters.

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