Infrastructure Investment Is the Key to China's Growth

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https://www.project-syndicate.org/commentary/china-must-increase-infrastructure-investment-to-meet-growth-targets-by-yu-yongding-2026-03

Despite a fraught geopolitical environment and a US-led trade war in 2025, China achieved its growth target of 5%, with GDP reaching CN¥140.19 trillion ($20.4 trillion). The contributions to last year's GDP growth from the three components of aggregate demand – final consumption, capital formation, and net exports – were 52%, 15.3%, and 32.7%, respectively.

Despite the impressive overall growth performance for 2025, the structure of aggregate demand was problematic. Consumption growth, as measured by total retail sales of