

Peking University MBA: The Case Study of Chinese Industries' Corresponding Strategies to Overcome the Low Growth Phase

Speaker

Qiao Liu (Peking University, Guanghua School of Management, Professor)

Professor Qiao Liu (Peking University, Guanghua School of Management) gave an energetic and overall optimistic presentation on the state of the Chinese economy. Following a brief discussion of past market occurrences to provide historical context, Professor Liu focused mainly on the current state and potential future of the market in China.

Professor Liu pointed out, quite emphatically, that from an economic standpoint, the Chinese market is too large to ignore. Although this seems an obvious statement to make, it was clearly an important point that he wished to confirm. Afterwards, he posed the question, “Why are there few great companies in China?” He answered this by pointing out that China’s growth model has been long led by investments and GDP oriented local governments. In addition, policies favoring state owned enterprises (SOEs) and segmented domestic markets have not been helping China in the long run.

As for the future, Professor Liu stated, “The future for the economy of China is bright.” He then spoke in great detail about the emergence of China’s youth, specifically speaking about the generation of children born after 1990. It is estimated that by 2030, China will have more than 400 million people born after 1990 and more than 200 million people with a college degree. In other words, as Professor Liu put it, “Half the population will have a college education (and that) could be very powerful.” Conversely, he touched on the fact that currently there exists a very large population of aging Chinese citizens. Referring to elderly citizens’ health care needs, he stated, “This is an industry that everyone should pay attention to.”

According to Professor Liu, it is ultimately a question of how China reacts to the changes in overall market conditions. He remarked, “We must work hard to achieve.” According to his prediction, pursuing brilliance instead of size will determine the future of corporate China. Professor Liu also explained that China must invest in institutional infrastructure and that the promotion of entrepreneurship will play a key role in China’s future economy. Lastly, he stated that markets in health care, education, culture, and finance should be watched most closely in order to understand the future direction of the Chinese economy.