

14.1. Overview of the growth trends and agro-industrial sector

Background

The growth of the agro-industrial sector around 4% of total Gross Domestic Product (GDP) has not experienced uneven growth over the last decade. Since the 1981-1983 economic crisis, agricultural growth has been consistently less than total GDP, then grew at 4.5% between 1984 and 1989, as part of an overall recovery. The Statistical Appendix shows the evolution of agricultural production. As a result of this, the Chinese agricultural sector moved from a deficit in the early 1980s to a surplus of around 500 billion yuan in 1992. The Statistical Appendix also shows the growth of the agro-industrial sector because of falling exchange rates (especially between 1991 and 1992) and rising export restrictions on agricultural products, especially in Europe. Nonetheless, external pressure will continue with the end of the international recession and the exchange rate will stabilize or appreciate somewhat. China's long-term economic strategy will continue to be based on export-led growth and it is expected that the agricultural sector will remain one of the most dynamic and important, especially in the agro-industrial sub-sectors such as fruitgrowing and agro-industry.

The Chinese agricultural sector is widely heterogeneous. It includes traditional crops such as wheat, corn and sugarbeets, and more modern and sophisticated sub-sectors like fruitgrowing and agro-industry.

In 1992, China's real GDP growth rate will recover slightly which is not surprising given the upward trend of 1991. Beyond 1992, an upward trend is expected to continue as a long-term trend, but at a much slower pace than in 1991.