

# News

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## China in the Global Economy: Leaping Dragon or Paper Tiger?

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**Brussels, Belgium, 17th November 2016** - By some measures already the world's biggest economy, China is seeking energetically to flex its muscles abroad by launching grand projects such as the One Belt One Road investment programme and by establishing the Asia Infrastructure Investment Bank. However, though its influence is growing in much of Asia, China's capacity to wield clout at the global level is often overestimated. Furthermore, it is pursuing costly- and possibly risky – international initiatives at a time when its domestic economy looks increasingly fragile and vulnerable to shocks, and amid warnings that it faces a looming financial crisis. It is beset by slowing growth and other serious problems, notably rapidly rising debt and a rapidly ageing population, to many of which its leaders appear to have no clear solutions. Meanwhile, plans to rebalance its economy and promote much-needed structural reforms have lost momentum. Unless China acts more decisively to overcome those obstacles, they may constrain both its future development and its global economic ambitions.

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