

## A “New Normal” in China’s Economy and Corporate Strategies

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There are many different aspects to consider when viewing what China’s “New Normal” meaning both for its economy and for the corporate strategies of Chinese firms. Short-term headwinds make it more urgent to introduce reforms in China, reforms that have been repeatedly postponed due to resistant forces, such as vested interests. The primary growth driver of China’s economy in the future will come from consumption, especially in the services sector, which still has a lot of room to grow. Chinese companies are, slowly but surely, moving up the value chain thanks to a combination of globalization and innovation. As Chinese executive and companies become more global in their business dealings, they are discovering an increasingly globalized business world, although sometimes this can have expensive repercussions. Finally, Chinese students and scholars who have studied, worked and lived in other countries, will continue to play a significant role in China’s development as they return to China with newly-learned skills.