China has less than decade to remake economy: US

December 14 2011

China has less than a decade to overhaul its economy and safeguard long-term growth that goes beyond a boom based on cheap labor, a top US Treasury official warned Wednesday.

Treasury Under Secretary Lael Brainard said Beijing needs to urgently boost technological innovation and intellectual property rights before its current low-cost high-output economic model becomes redundant.

"China is now approaching the end of a number of very important factors in its competitive strength," she told a Washington conference.

"Massive labor, very low-cost wages, huge amounts of investments: there's not a lot of continued growth they are going to get from these factors."

The lack of intellectual property protections, Brainard added, stand in the way of the country building growth from technological innovation.

"Increasingly they are facing what a lot of countries have encountered: the middle-income trap... No more cheap labor."

To grow through the next phase of development, she said, China will have to "figure out how to do what we do" -- build on technology developed at home, rather than getting it from elsewhere.

"And they're not very well structured to do that right now," she said.

She said membership in the elite Group of 20 economic powers -- which includes China -- means a country "has to abide by a higher standard of international practice."

"When foreign companies take their technology into China, they don't take their cutting-edge technologies because they don't have confidence in that environment," she said.

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Citation: China has less than decade to remake economy: US (2011, December 14) retrieved 15 May 2024 from https://phys.org/news/2011-12-china-decade-remake-economy.html