



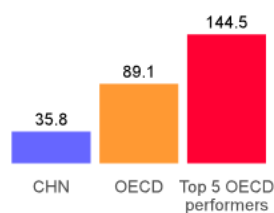
## Performance gaps

## Recommendations

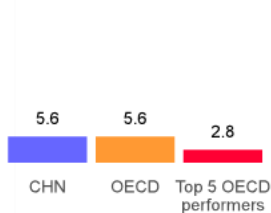
### Product and labour markets functioning

- Local protectionism - mostly manifest in the form of administrative monopolies - inhibits fair competition across sectors and across regions.
- State-owned enterprises and other public entities benefit from implicit guarantees.
- Strengthen the rule of law and restrict the power of administrative departments to prevent the creation of administrative monopolies and dismantle existing ones by applying the Fair Competition Review mechanism rigorously.
- Gradually phase out implicit guarantees to SOEs and other public entities by not bailing them out upon their default.

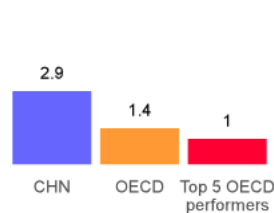
**Labour productivity**  
GDP per employee, USD  
2022



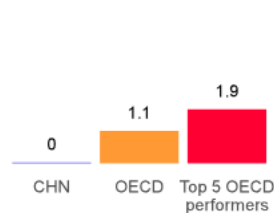
**Unemployment rate**  
%, 2022



**Product Market Regulation**  
**Economy-wide**  
From least to most restrictive  
Index of 0-6, 2018 or latest available



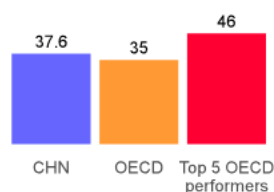
**Rule of Law**  
From least to most confidence  
Score from -2.5 to 2.5, 2021



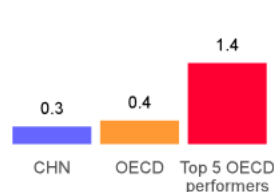
### Digital transition

- China has leapfrogged and became a world leader in a number of digital services such as e-commerce, online payments and digital car hailing but the digital divide between coastal and inland regions as well as in skills is large.
- The greatest skill deficit is in computer programming among major skill categories.
- Increase internet penetration and extend e-commerce and other services in inland and rural areas.
- Strengthen basic literacy, numeracy and computer programming skills starting from the primary level and in adult learning.

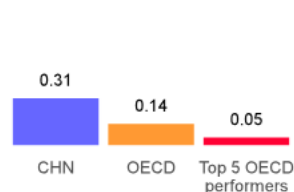
**Fixed broadband subscriptions**  
**Per 100 inhabitants**  
2021 or latest available



**Business R&D expenditure**  
**in information industries**  
% of GDP, 2019 or latest available



**OECD Digital Services Trade**  
**Restrictiveness Index**  
From least to most restrictive  
Index of 0-1, 2022



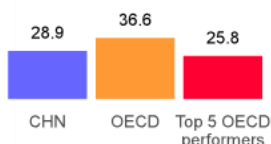
### Inclusiveness, social protection, and ageing

- The working age population has been falling for a decade and the overall population has peaked.
- Pension coverage is incomplete, and the share of out-of-pocket health costs is high.
- Provide equal opportunities by ensuring a minimum quality of public services across the country and centralising such spending to ensure provision.
- Link the retirement age to life expectancy, unify pensions, make the system more redistributive and increase the coverage of reimbursed treatments.

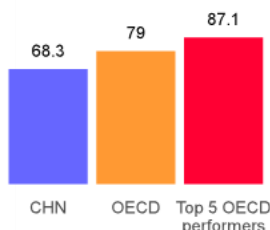
**Poverty gap at \$3.65 a day**  
%, 2021 or latest available



**Impact of socioeconomic background in PISA reading score**  
%, 2018



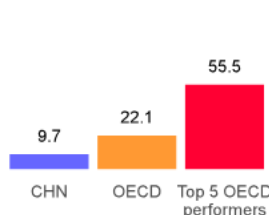
**Share of working-age population (15-64) in total**  
%, 2022



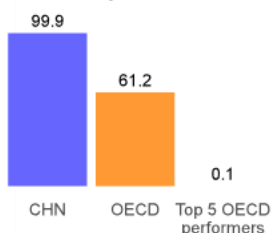
### Climate transition

- Renewables prices have successfully been reduced and subsidies are being phased out, but extreme weather adversely impacts the green transition.
- Pollution keeps taking a heavy toll on human lives.
- Halt the construction of new coal-fired power plants, raise environmental taxes on fossil fuels and strengthen climate mitigation action.
- Allow renewables producers to sell the electricity they produce through the grid.

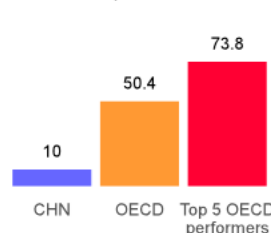
**Share of renewables in the energy mix**  
%, Average over 2019-21 or latest available



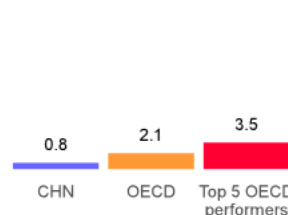
**Share of population exposed to more than 10 µg/m3 of PM2.5**  
%, Average over 2017-19



**Carbon pricing score**  
%, at EUR 30 per tonne CO2, 2018



**Environmentally-related tax revenue**  
% of GDP 2020 or latest available



## Overall performance

### Economy

Thousands USD per capita  
2022 or latest available

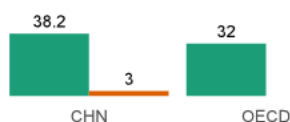
Gross Domestic Product



### Inequality and poverty

2021 or latest available

Gini coefficient after taxes and transfers (index of 0-100)  
Poverty headcount ratio at \$3.65 a day (%)



### Environment and climate

1 unit of GDP, 2021

0.74 GHG emissions  
0.24 (OECD)

Welfare cost of premature deaths due to ambient particulate matter  
% GDP equivalent, 2019





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## Economic Policy Reforms 2023

Going for Growth

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