



## Overall performance

China has seen strong improvement across its procurement and permit processes and regulatory markets since 2017. This has been driven by reductions in cost to start a business, time to register property and the transparency of its procurement processes. China's infrastructure investment remains high at 6.7% of GDP, but its private infrastructure investment remains low as a percent of GDP. To improve this, China could introduce a requirement to sound out the market before formal procurement processes to help design better market engagements. The long-term impact of the COVID-19 pandemic on quality infrastructure investment remains uncertain.

Drivers	Rank (1/6)	Rank change (2017-20)	Score (1/100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	32	↑ 4	57	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Regulatory frameworks	29	↑ 12	63	Green	Green	Green	Green	Green
Permits	14	↑ 22	85	Blue	Blue	Blue	Blue	Blue
Planning	37	↓ 3	74	Grey	Grey	Grey	Grey	Grey
Procurement	22	↑ 30	84	Light Green	Light Green	Light Green	Light Green	Light Green
Activity	60	↓ 3	21	Teal	Teal	Grey	Grey	Grey
Funding capacity	26	↓ 2	51	Orange	Orange	Orange	Grey	Grey
Financial markets	7	—	73	Yellow	Yellow	Yellow	Yellow	Yellow

## China at a glance

**\$10,099**  
GDP per capita  
(USD, 2019)

**1400.2**  
million  
Population  
(2019)

**6.1% of GDP**  
Infrastructure investment  
(2019 estimate)

**0.4% of GDP**  
Infrastructure gap  
(2019 estimate)

**77.9**  
Infrastructure quality  
(0-100, 100 is best, 2019)

**\$908 million**  
Private infrastructure investment  
(5-year average, USD, 2019)

## Top performing metrics



97.2/100

### Cost to start a business

According to the World Bank, the cost of starting a business is 1.1% of income per capita. This is lower than the average of Upper Middle Income Countries of 11%. China has recently implemented reforms to improve business processes, easing the entry of new firms.



92/100

### Registering property

According to the World Bank, it takes nine days to register a property in China, significantly lower than the Upper Middle Income Countries' average of 20 days. As infrastructure projects often involve property rights, the shorter the time to register properties, the less costly and risky the project.



87.2/100

### Stocks traded

China has one of the highest values of stocks traded as a share of GDP out of all InfraCompass 2020 countries, at 96%. As this indicator measures the liquidity of equities, it is important to infrastructure investors to know they can exit investments at appropriate points.

## Opportunities to grow



No

### Market sounding and/or assessment

China currently lacks a market sounding process for infrastructure projects. Adding such a process could allow the government to better determine if there is enough interest from investors and lenders to provide commercial financing for projects.



0.8/100

### Private infrastructure investment

Despite its low score, China is seeking to increase private investment to boost growth without adding public debt. China could consider new approaches for accelerating the flow of private capital into infrastructure. However, the COVID-19 pandemic may impact this.



1/100

### Value of closed infrastructure deals with foreign equity sponsorship

Among the Upper Middle Income Countries, China has a score significantly lower than the average of 32. A low value may reflect uncertainty around trade conditions and barriers within the business environment. Additionally, any long-term impacts of the COVID-19 pandemic are yet to be fully determined.

For guidance on how to improve these metrics, please see the [China Country Page](#) on the InfraCompass website.



## ECONOMY OVERVIEW

GDP (\$US billion, 2019)	14140.2	Population (million, 2019)	1400.2	Unemployment rate (2019)	4.4%
GDP per capita (\$US, 2019)	10,099	Urbanisation ratio (2018)	59.0%	Inflation rate (2019)	2.3%
GDP growth rate (annual, 2019)	6.1%	Gross Government Debt (% of GDP, 2019)	56.0%	Digital Adoption Index (0-1 best, 2016)	0.59
GDP per capita growth rate (annual, 2019)	5.4%	Sovereign risk rating (2019)	80	Gini coefficient (0-100 worst, 2015)	38.6

## METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes -	Effect of taxation on incentives to invest	57 ↑	Cost to start a business	97.2 ↑
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	58.1 ↑	Dealing with construction permits	60.2 ↑
Recovery rate	36.9 -	Product market regulation, network sectors	58.3 <sup>^</sup> -	Quality of land administration	78.3 ↑
Rule of law	46 ↑	Regulatory (including competition) quality	47.3 ↑	Registering property	92 ↑
Shareholder governance	56.7 ↑	Strength of insolvency framework	84.4 ↑	Time required to start a business	80.1 ↑
Political stability and absence of violence	45.6 ↑	Investment promotion agency?	Yes -		
PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	Yes -	Average procurement duration – transaction RFP	50 <sup>^</sup> ↓	Infrastructure investment	80.9 ↓
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	75 ↑	Private infrastructure investment	0.8 ↓
Preparation of PPPs	61 ↓	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	2.9 ↓
Economic analysis assessment?	Yes -	Procurement of PPPs	82 -	Value of closed infrastructure deals with foreign equity sponsorship	1 ↑
Market sounding and/or assessment?	No -	PPP contract management	76 -		
Environmental impact analysis?	Yes -				
FUNDING CAPACITY		FINANCIAL MARKETS		<b>Drawing on data from:</b> International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.	
GDP per capita	12.9 ↑	Domestic credit to private sector	77.5 ↑		
Gross government debt	56.5 ↓	Financing through local equity market	57.9 ↑		
Long term GDP growth trend	75.3 ↓	Stocks traded	87.2 ↓		
Summary credit rating	80 -	Financial depth	65.4 ↑		
		Financial stability	80.1 ↑		

## Metric key:

↑ Increase from InfraCompass 2017   ↓ Decrease from InfraCompass 2017   - No change from InfraCompass 2017

## Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.

<sup>^</sup>Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.