

A Dynamic Comparative Study on the International Linkage of China's Economic Growth under the New and Old Normal Situation -- Based on WIOT Analysis

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Abstract: The trade war between China and the United States has had a huge impact on the global economy. In fact, since China joined the WTO in 2002, the correlation between Chinese Economy and the world economy have continued to strengthen. We defined the period from 2002 to 2012 as the Old Normal, and China entered the New Normal after 2012. Based on the world input-output table from WIOD in 2002-2014, this paper studies and compares the evolution of the relationship between the economic growth of China in the Old and New Normal period and that of other regions in the world. The main research methods include: forward and backward spatial linkage coefficient; economic dependence; decomposition of value-added changes: value-added rate effect, domestic multiplier effect, feedback effect, spillover effect, domestic final product effect, overseas final product effect. The innovation of this paper : on one hand, using the MRIO model to analyze the power source of China's economic growth and the relationship between that and other economies in the world from the perspective of global linkage; on the other hand, conducting a dynamic comparative analysis of the International linkage changes in the Old and New Normal period. The main conclusions are as follows: Firstly, the forward linkage degree of China's secondary industry increased significantly in the Old Normal period, while that of the tertiary industry increased at a rapid speed after entering the New Normal. Secondly, the increase of China's external influence in the Old Normal period is mainly reflected in the large number of small and medium-sized developing economies, which has become more prominent since the New Normal. Thirdly, compared with Old Normal period, China's economy is more dependent on internal factors after entering the New Normal, among which the industrial sector's dependence on domestic final products has increased significantly.

Keywords: the New and Old Normal Situation, international linkage of economic growth, SDA, WIOT