

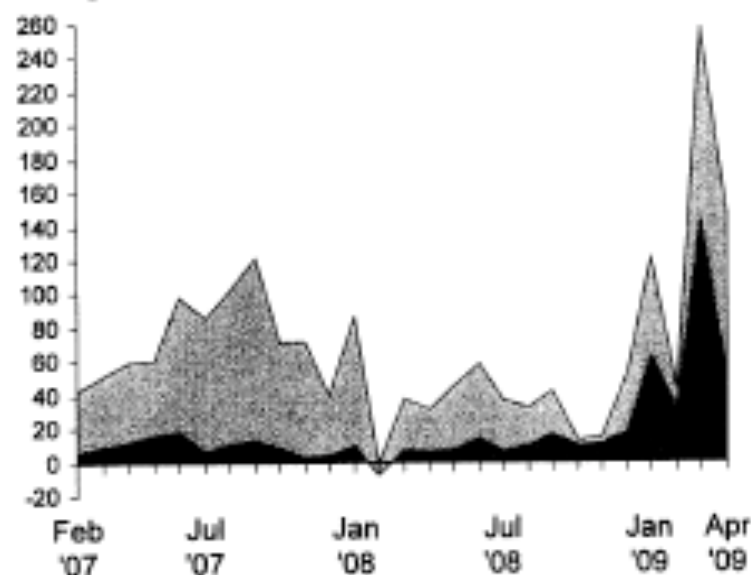
Why are these men smiling?



Monetary policy: massive increase in credit already underway

Consumer loan balances: YoY change

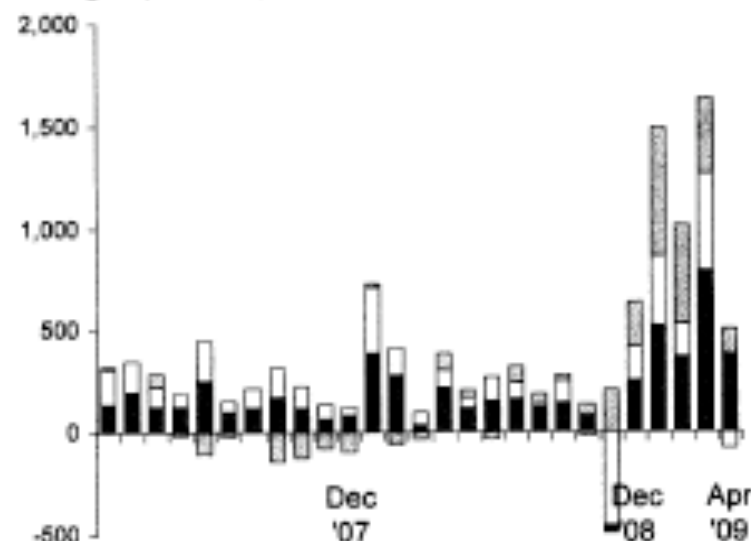
Changes (RMB Bn)



Medium & Long-term
Short-term

Corporate loan balances: YoY change

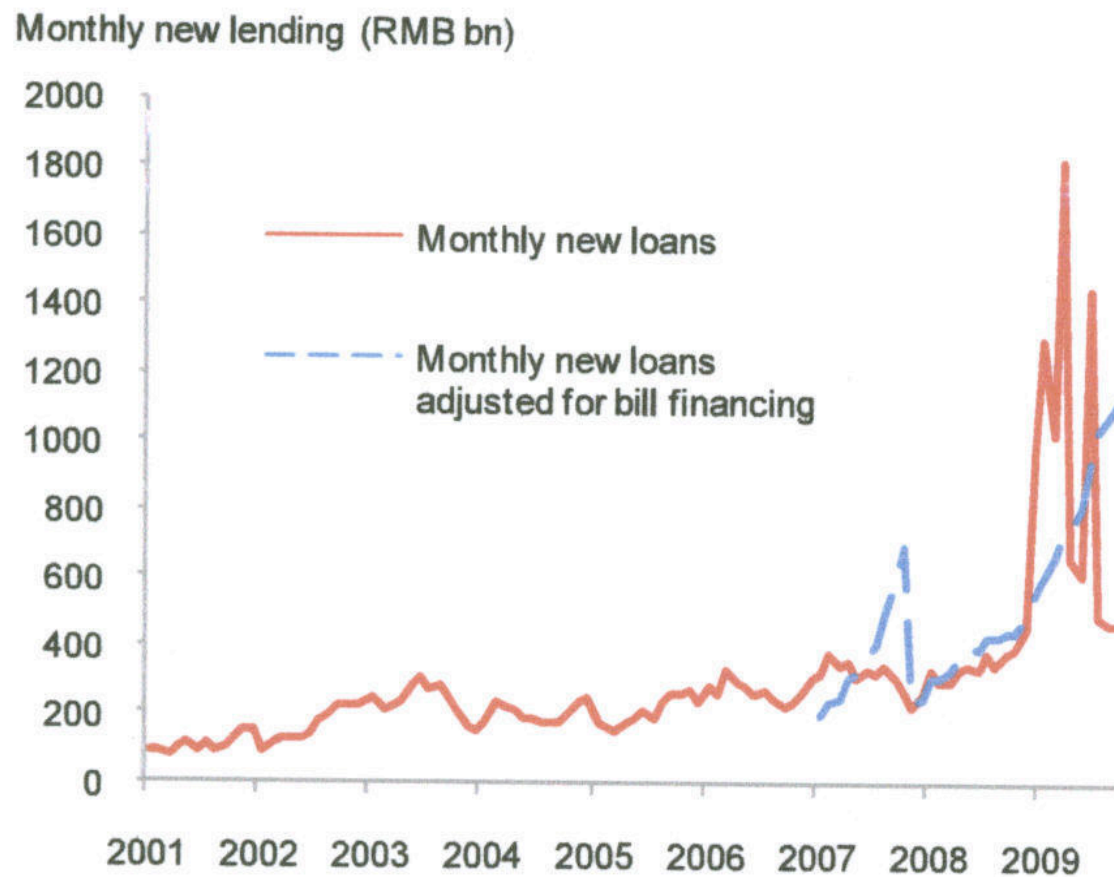
Changes (RMB Bn)



Bill financing
Short-term
Medium & Long-term

Year-on-year changes of loan balance in 2009 Q1 reported to reach 4.58 Trillion RMB

Figure 4. Underlying lending to the real economy
has remained strong



Source: CEIC, World Bank staff estimates.



Table 1. China's Stimulus Package (Billion RMB)

	2008		2009		2009Total	2010
	Q4	Q1	Q2	Q3	Q4	
Planned	104				487.5	585.5
Actual*	100	130	70	80	170	450

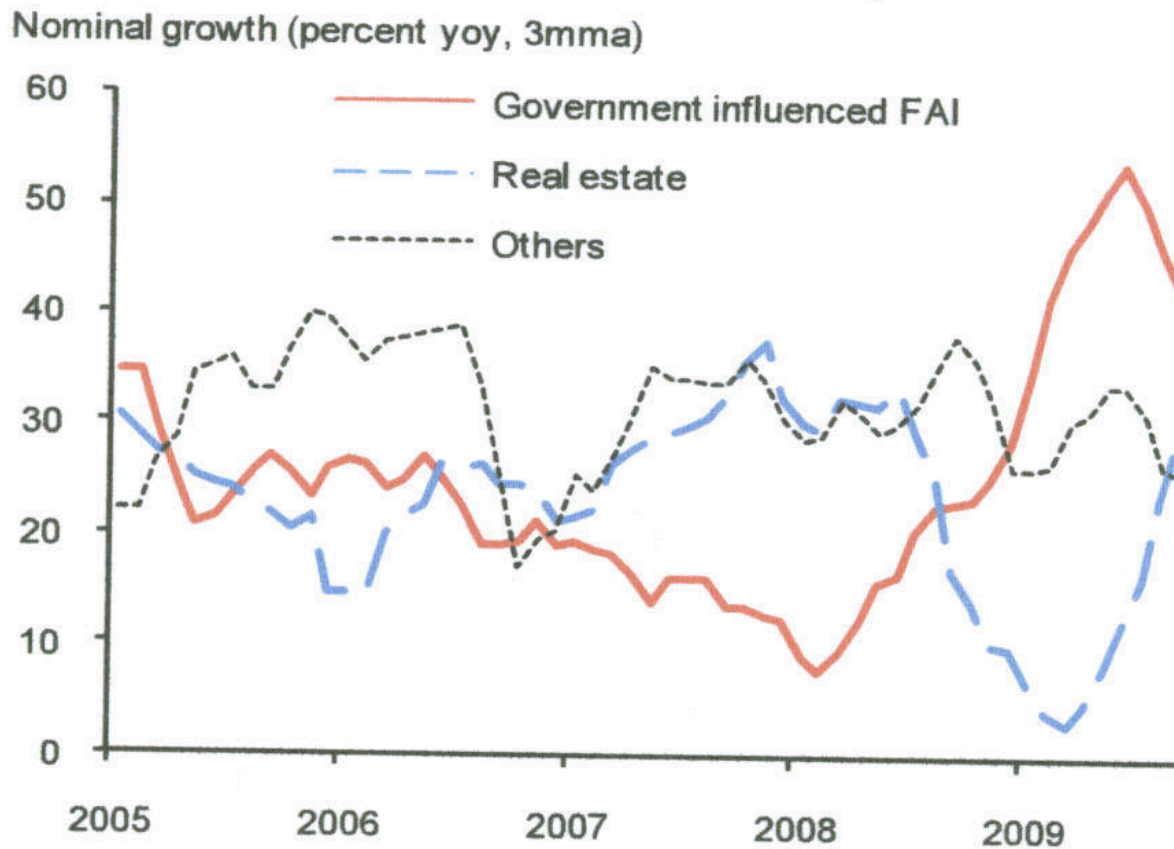
*"Released funds" from NPC and NDRC

Source:

Planned: Ministry of Finance http://www.gov.cn/2009lh/content_1255302.htm and [www.mof.gov.cn/mof/zhengwuxinxi/caijingshidian/cjzylm/200903/t20090309_120087.h](http://www.mof.gov.cn/mof/zhengwuxinxi/caijingshidian/cjzylm/200903/t20090309_120087.htm)
[tml](http://www.mof.gov.cn/mof/zhengwuxinxi/caijingshidian/cjzylm/200903/t20090309_120087.htm) March 9, 2009

Actual: Ministry of Finance (direct communication to author)

Figure 5. Surging government-influenced investment has been key



Source: CEIC, World Bank staff estimates.



Table2. The U. S. Stimulus Package (\$Billion)

	2008	2009				09Total	2010	2011+
	Q4	Q1	Q2	Q3*	Q4			
Planned	0					286	358	143
Actual	0	11.8	99.8	151.4				

*Through August

Sources:

Planned: The total stimulus is \$787B. It's distributed here based on the statement that the 2009, 2010 and 2011 stimuli will be 2%, 2.5% and 1% of GDP.

Actual: The Economic Impact of the ARRA: First Quarterly Report, Sept. 10, 2009, Table 2, page 7.



Unemployment Rate With and Without the Recovery Plan

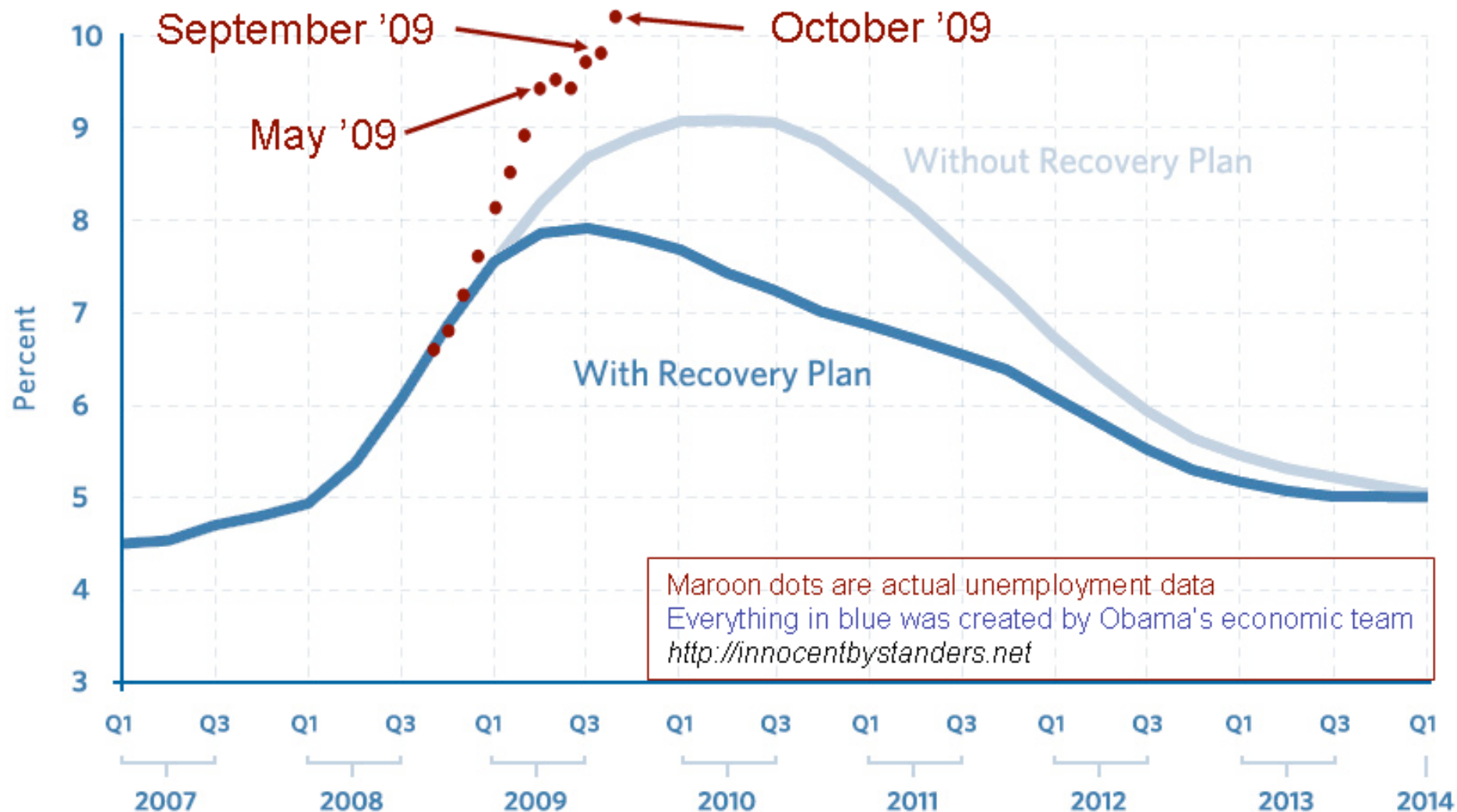
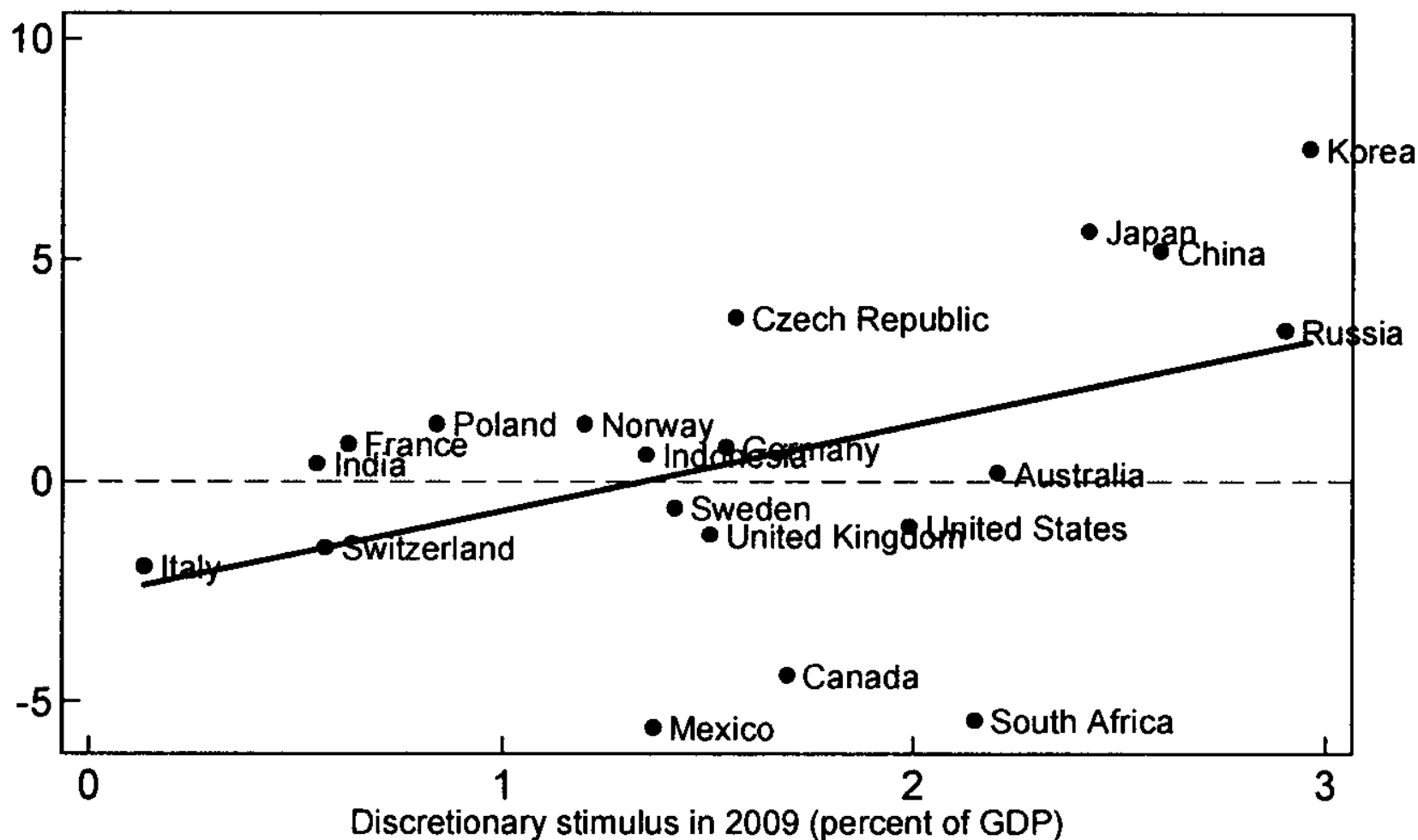




Figure 12. Outperforming Expectations and Stimulus, Full Sample

Actual Q2 GDP growth minus November forecast (percentage points)



Sources: OECD; IMF; Brookings Institution; J.P.Morgan; CEA calculations.

Note: the regression line is $(\text{growth} - \text{forecast}) = -2.6 + 1.95 * \text{stimulus}$.

The coefficient on stimulus is significant at the 95% confidence level. The R-squared is 0.20.



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