

Re: China GDP data corrupt [working paper]

Source: <http://sci.tech-archive.net/Archive/sci.econ/2005-01/1304.html>

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Date: 01/21/05

Date: 20 Jan 2005 19:58:24 -0800

Thank you, Mr. Yu! I appreciate your insight.

Nobody is doubting that China is burning energy (the English phrase "burning the midnight oil" for working hard comes to mind!)

The issue is whether burning energy is translating into GDP (productive output). Think of it this way: I can run fast standing still, and if I just jump up and down, without moving forward, I will not travel very far but I will burn lots of energy and get a good workout (and impress many people with my energy).

As for Mr. Chang, I thought he was very courageous, as a lawyer, to write such a book. He probably killed his career in mainland China. Oh well, maybe he wanted to work in Taiwan after all.

BTW, I did the calculations just now for Japan, and found that Japan's GDP is not distorted (unlike China and India).

Here is the data:

Japan:

21.92 QBTU * 6.11 mil Person/ QBTU (Euroland) * \$25k/person = \$ 3.348 Trillion, versus a published (on the CIA website) figure of \$3.582 Trillion. The two figures are within 10% of each other, well within any margin of error for such an inexact estimate. Also I assume "x = 1" once again.

Right now, only China and India appear to be "liars"! :-) No offense of course.

Sincerely,

RL