

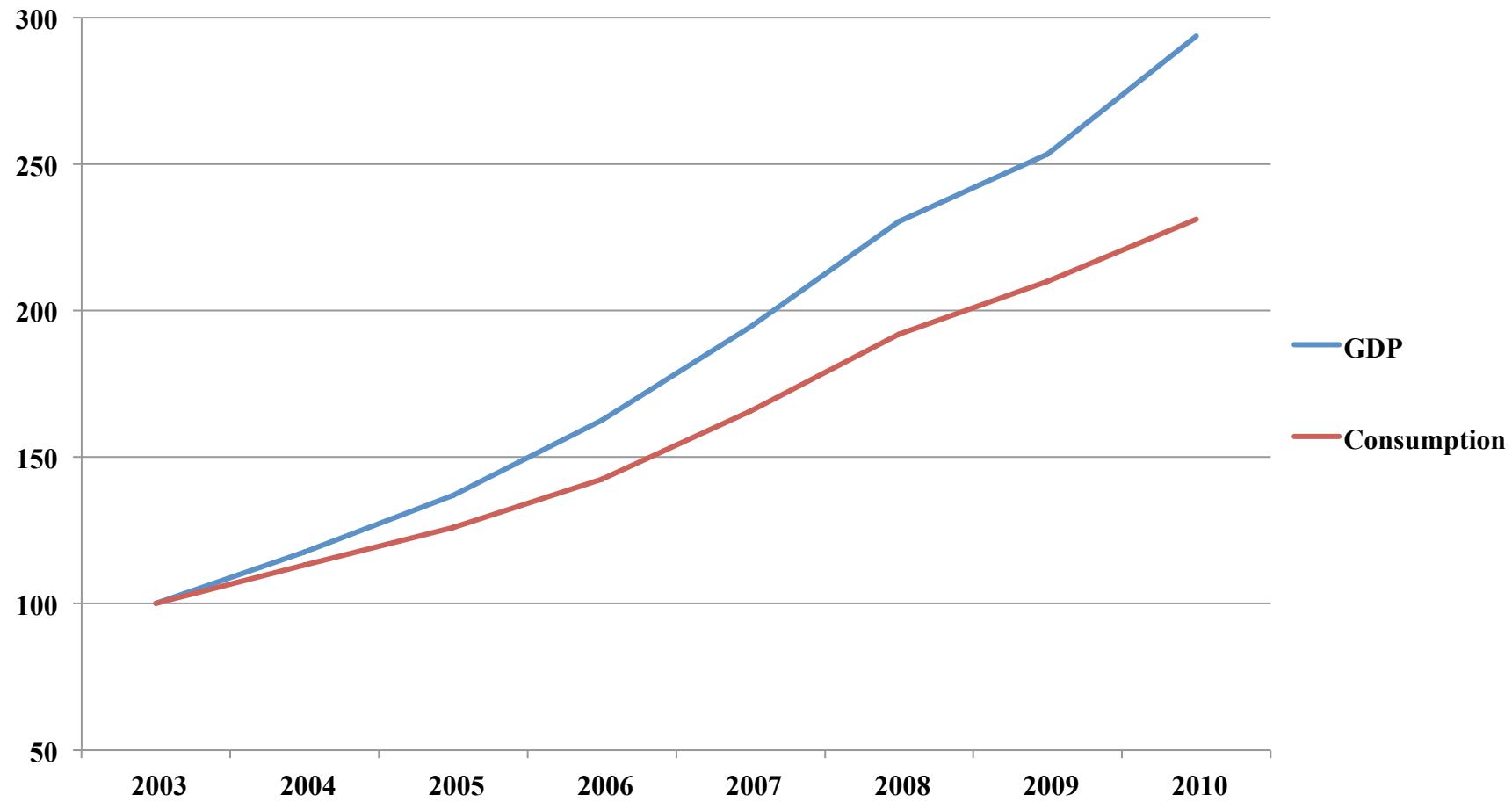
What Could Short Circuit China's Economy?

**2011 DTN-Progressive Farmer Ag Summit
Chicago
December 7, 2011**

**Nicholas R. Lardy
Anthony M. Solomon Senior Fellow
Peterson Institute for International Economics**

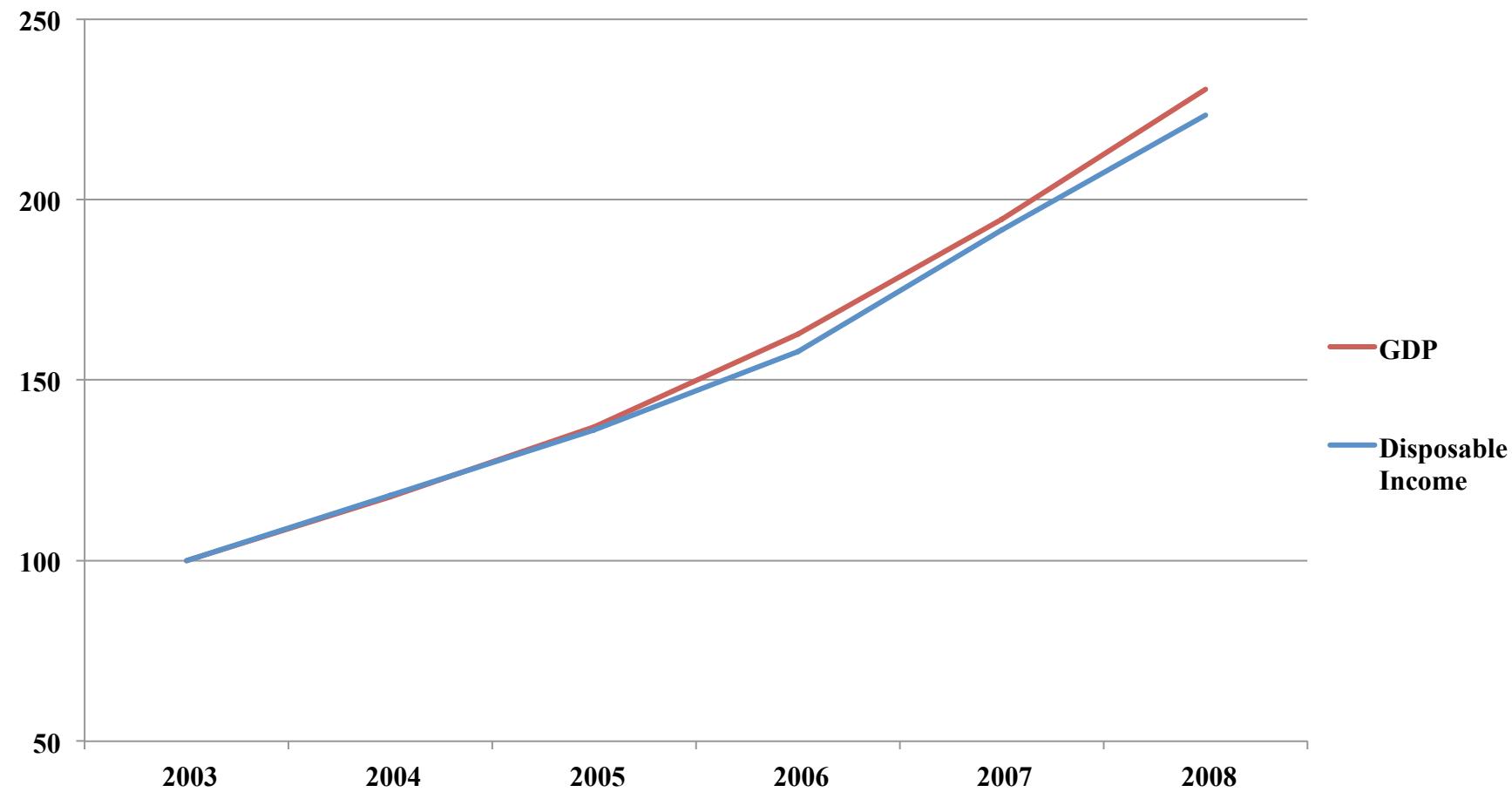
GDP and Consumption, 2003-2010

2003=100



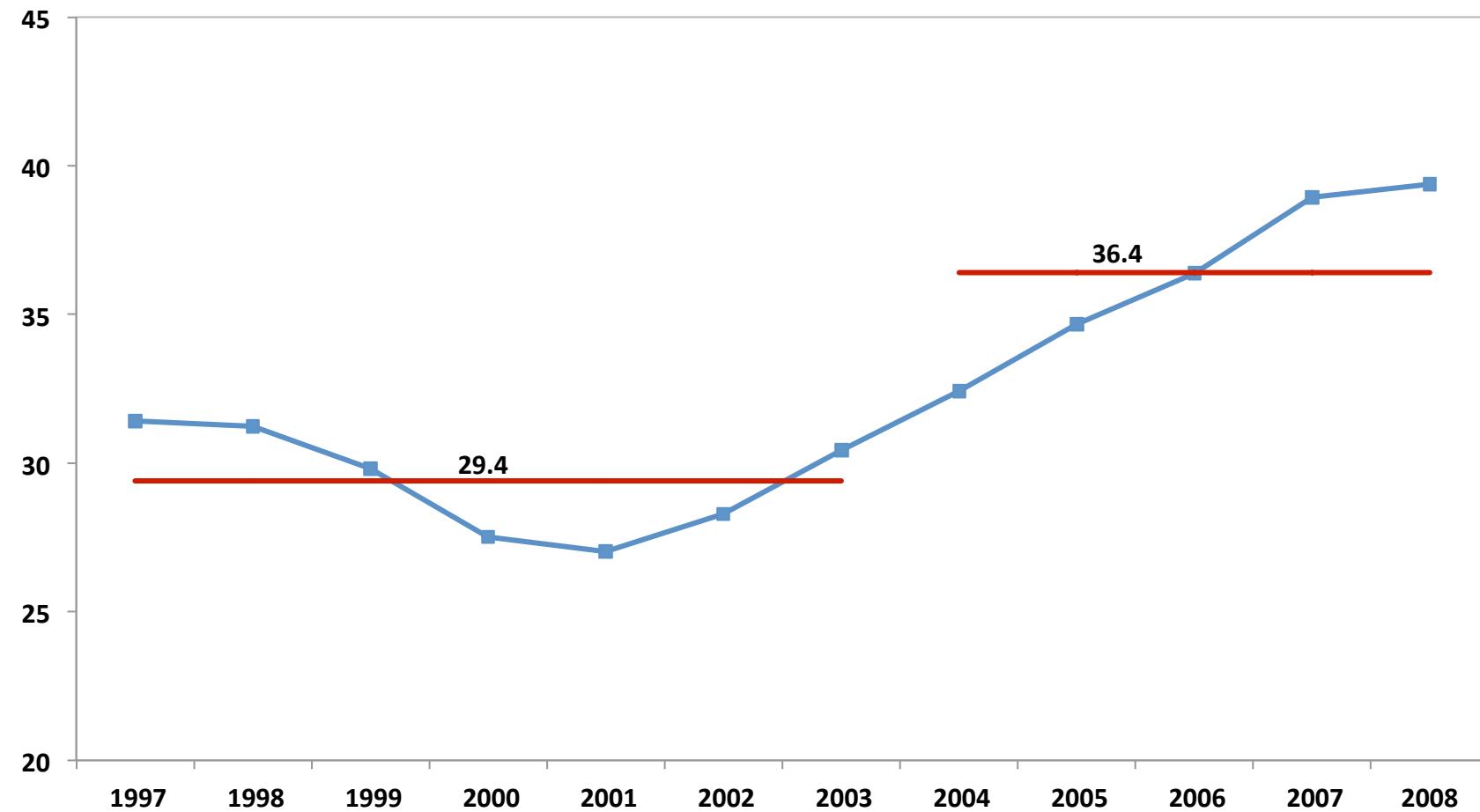
GDP and Disposable Income, 2003-2008

2003=100

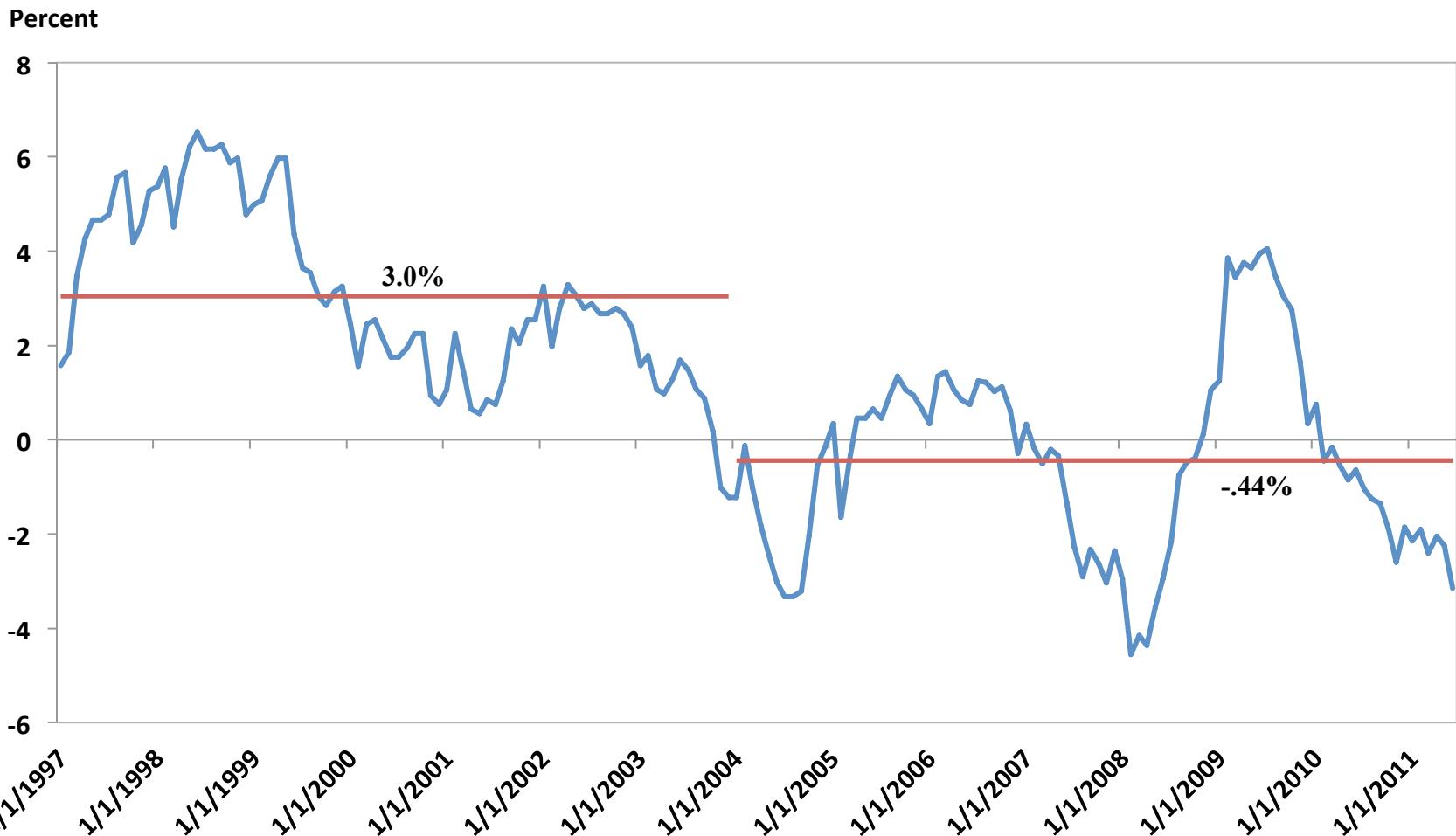


Household Saving from Disposable Income, 1997-2008

Percent

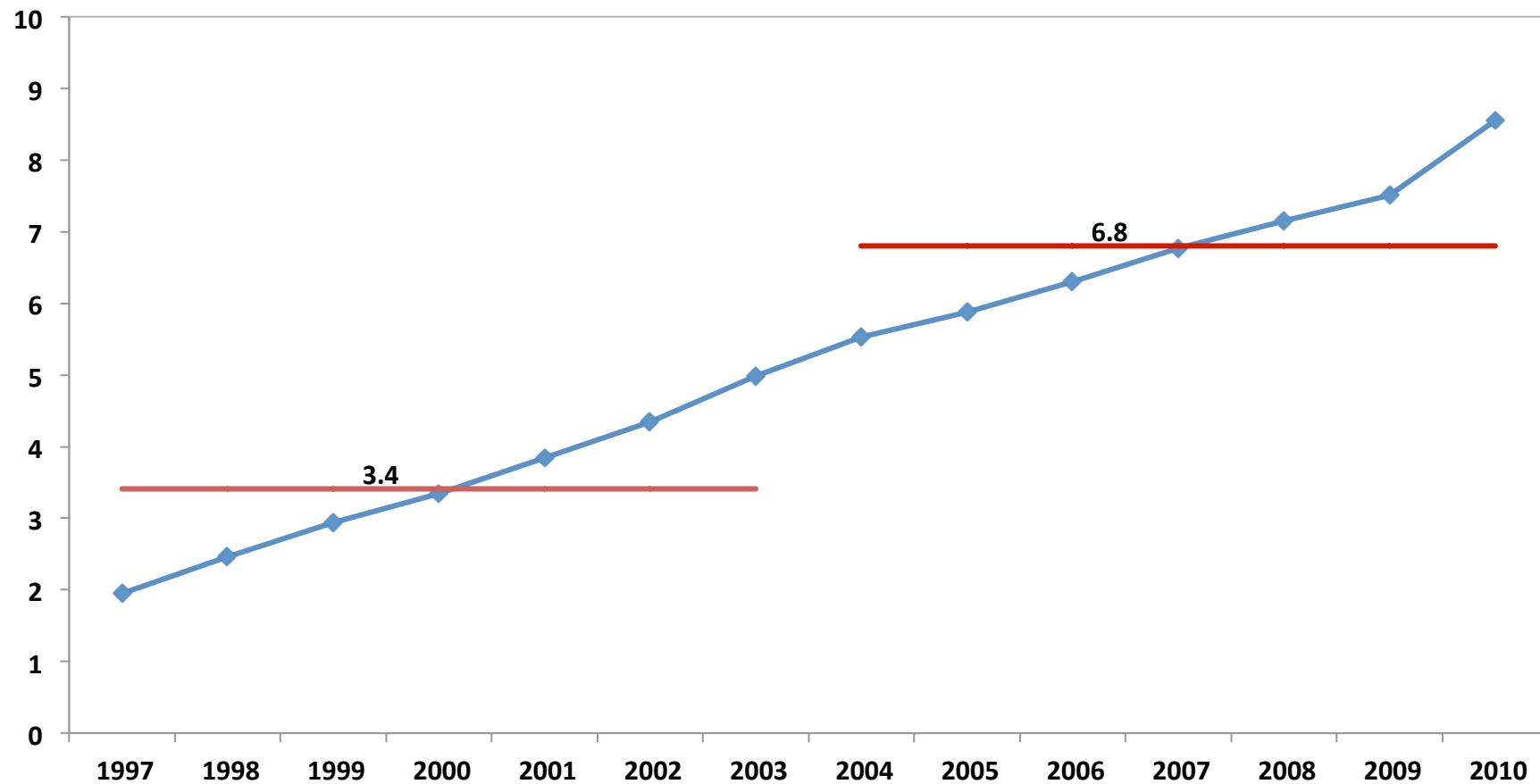


Real Return on Household One-year Deposits, 1997-1H 2011



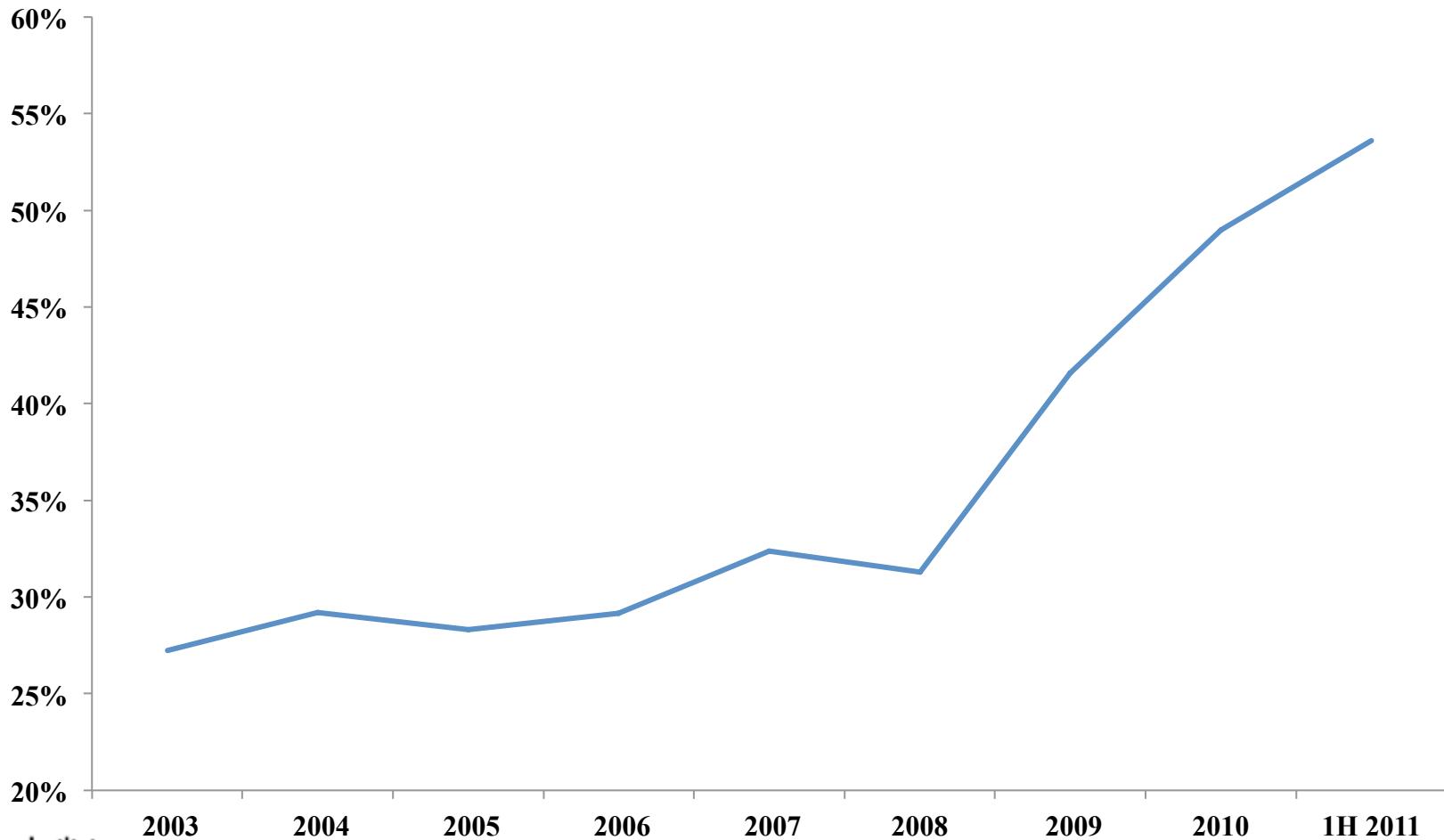
Investment in Residential Housing, 1997-2010

Percent of GDP



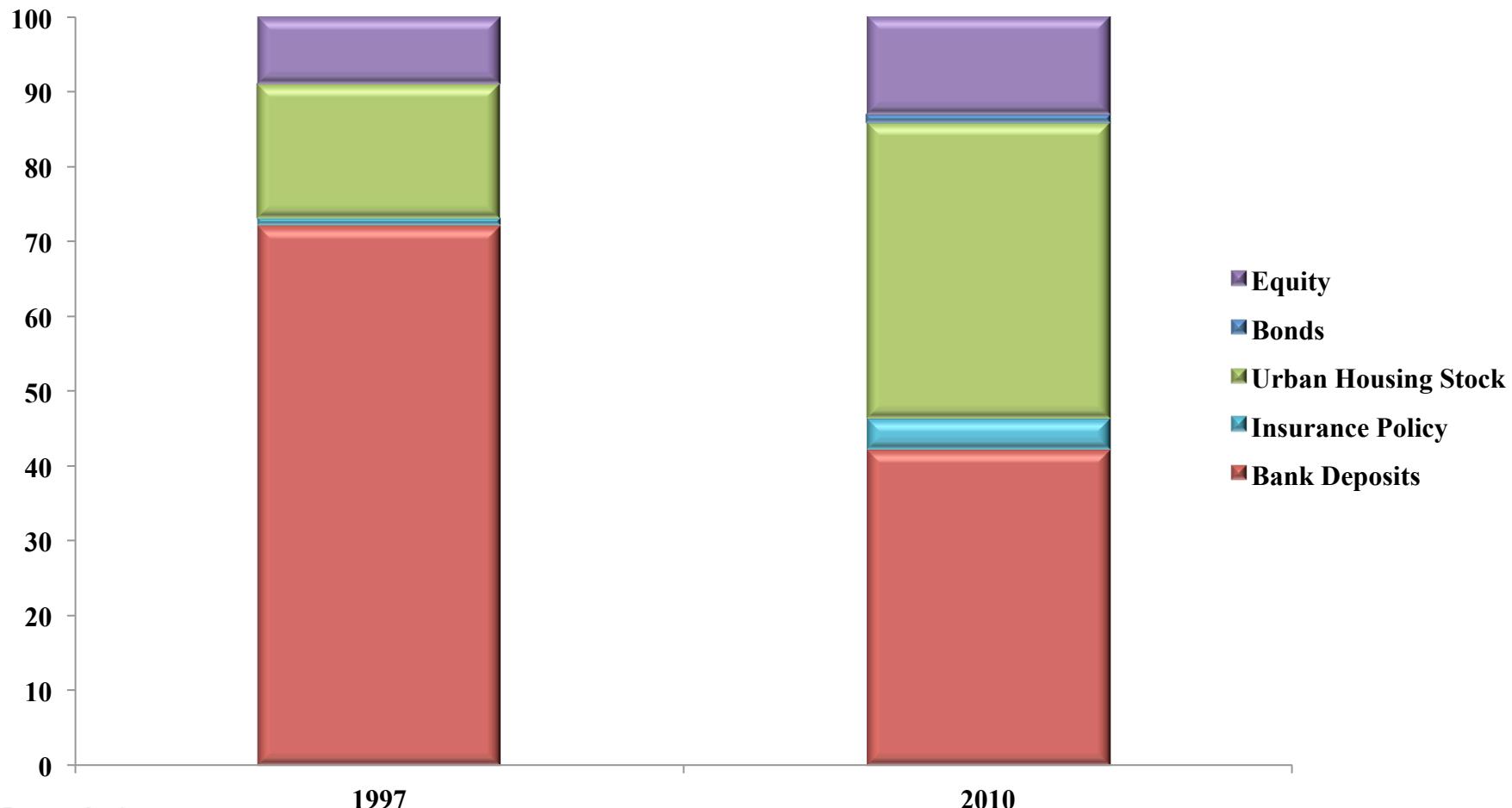
China Household Debt as Percentage of Disposable Income, 2003-1H 2011

Percent Disposable Income



Composition of Urban Household Wealth, 1997 and 2010

Percent GDP



Bank Exposure to Real Estate, 2004-1H 2011

Percent GDP and Loan Book

24%

22%

20%

18%

16%

14%

12%

10%

2004

2005

2006

2007

2008

2009

2010

1H 2011

Percent Bank Capital

250%

200%

150%

100%

50%

0%

Real Estate
Loans %
Loan Book

Real Estate
Loans %
GDP

Real Estate
Loans %
Bank Capital