

Statistics

China gets top ranking in survey of world's emerging economies

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Updated: 2010-07-28 09:29



A customer leaves an Ikea store in Shenyang, Liaoning province. China ranks No 1 among 27 emerging economies due to its huge consumer market and rapid economic growth, according to Grant Thornton. [Doug Kanter / Bloomberg]

BEIJING - China ranks No 1 among 27 emerging economies due to its huge consumer market and rapid economic growth, according to the Emerging Markets Opportunity Index released by US accounting firm Grant Thornton.

The index takes account of key factors such as the size of the economy, wealth, involvement in world trade, growth potential and levels of human development.

China scores 454 points, double the India's score (222 points) in second place and almost triple that of Russia (163 points) in third place.

"China leads the way thanks to the country's huge consumer market, an increasingly open economy and extremely rapid trade growth, which offer a myriad of business opportunities for potential investors," said Xia Zhidong, partner and vice-chairman of Grant Thornton China.

According to figures from the United Nations Conference on Trade and Development, China attracts the most foreign investment among the BRIC (Brazil, Russia, India and China) countries.

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Last year, the inward foreign direct investment (FDI) flow to China was \$95 billion, followed by Russia at \$39 billion and with India and Brazil posting \$35 billion and \$26 billion respectively.

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"In the future, more opportunities will lie in improved infrastructure, enhanced human capital, investments in R&D and the increasing middle-class base," Xia said.

However, a lack of skilled labor, increasing labor costs and the low per capita gross domestic product (GDP) pose major challenges to foreign investment in China.

According to Grant Thornton China, 23 percent of Chinese enterprises said they faced a shortage of skilled labor, higher than the global average of 21 percent.

In the top five places of the index, BRIC countries take four positions.

India, although a long way behind, boasts a huge consumer market and a booming services industry, which accounts for around 55 percent of GDP, compared to 40 percent in the Chinese mainland.

Russia, in third place, has a much smaller consumer base than either China or India, but it boasts a per capita GDP which is more than double that of China, and more than five times as high as India. In addition, its high-level per capita consumption is close to the levels of the major cities of Europe's advanced economies.