

Abstract

With decades of reform and opening up, Chinese economy has entered into New Normal, which economic growth slowed down, growth driving became more diversity, economic structural upgraded and encourage market to be more active. Now, China had succeed in to be a middle-income country, becoming the world's economic power. However, with the adjustment of international economic structure, the middle-income trap risk, the demographic dividend and sets of internal and external factors came out. For dealing with those issue and global economic crisis, and improving product's quality, the central government put forward Supply Side Reformation.

The problem to understand what Reformation of Supply Side exactly is, and how influences Chinese economy. For this purpose, need to figure out that the definition of the reform, current Chinese economic situation, identify factors that effect on Supply Side Reformation, analyze exiting policy and suggest practical ways to further reformation.

Some scholars believed that Supply Side Reformation should cover resource allocation, enterprises innovation and capacity deduction. Some experts put forward that the reform equals element reform, it's about reforming total factors. Combine those views and other involvements, the study believes that the main challenges of Chinese economy is structural issue, overcapacity, and insufficient valid demand. Therefore, the process of Supply Side Reformation is to improve products' quality by implementation reformation, and the final goal is to achieve economic further growth.

The approach here adopts to solve the problem is using both of qualitative and quantitative methods in comprising the facts found in literatures related to the topic. By looking through literatures, the data and outcomes will be gathered by in-depth analysis, part of them would be out from privilege research results and other policy activities, taking them as references.

The results obtained in this research includes GDP growth analysis, situation of foreign trade and foreign direct investment, situation of consumption, and industrial problem analysis. By studying those approaches, there are some findings as followed. With the Supply-side Reformation, year-on-year Chinese GDP growth rate is 6.7% in the first half year, it reached the goal which was put forward in the government work report at the beginning of year 2016. Chinese economic growth rate slowed down. Compare with other regions, the increment and growth rate are still positive.

The impacts of obtained results are as followed. The essence of Supply-side Reformation is to improve product's quality that is through optimizing industrial structure and innovation to accomplish economic growth. Hereby, the reformation is proceed by a stable environment and a specific program. For the whole reform, the central government and local governments should work together.

Keywords: Global economic crisis, New Normal, Supply Side Reformation, Economic structural adjustment, GDP growth