Additional case study: China targeting 8% growth in 2010

At the beginning of 2010 the Chinese government announced that it was targeting 8% growth for the economy again, despite the global recession. The target had been 8% for a number of years and the government had always met it.

About 9% growth is expected in 2010 thanks to huge government fiscal and monetary stimulus measures. The Chinese economy is the third largest in the world. Forecasts for economic growth made by the International Monetary Fund for 2010 included China 9.2%, UK 0.9%, Japan 1.7%, US 1.5% and India 6.4%. However government officials in China recognized that growth was not guaranteed. China relies heavily on exports and so is vulnerable to economic change elsewhere in the world.

Questions

1. Why is economic growth often important to governments?
2. 8% is relatively fast economic growth. Why does China set such as high target?
3. Why is China predicted to grow faster than many other economies?
4. What types of fiscal and monetary stimulus might have been used to help the economy grow?
5. Why does the reliance on exports make Chinese growth vulnerable to changes in other economies?
6. Could the government make the economy less reliant on exports?