Why are these men smiling?
Monetary policy: massive increase in credit already underway

Consumer loan balances: YoY change

Corporate loan balances: YoY change

Year-on-year changes of loan balance in 2009 Q1 reported to reach 4.58 Trillion RMB

Source: People's Bank of China website, Citigroup

THE BOSTON CONSULTING GROUP
Figure 4. Underlying lending to the real economy has remained strong

Monthly new lending (RMB bn)

- Monthly new loans
- Monthly new loans adjusted for bill financing

Source: CEIC, World Bank staff estimates.
Table 1. China’s Stimulus Package (Billion RMB)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2009Total</th>
<th>2010</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
</tr>
<tr>
<td>Planned</td>
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<tr>
<td></td>
<td>104</td>
<td></td>
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<tr>
<td>Actual*</td>
<td>100</td>
<td>130</td>
<td>70</td>
<td>80</td>
</tr>
</tbody>
</table>

*"Released funds" from NPC and NDRC

Source:

Actual: Ministry of Finance (direct communication to author)
Figure 5. Surging government-influenced investment has been key

Nominal growth (percent yoy, 3mma)

- Government influenced FAI
- Real estate
- Others

Source: CEIC, World Bank staff estimates.
### Table 2. The U. S. Stimulus Package ($Billion)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>09Total</th>
<th>2010</th>
<th>2011+</th>
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<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>Q4</td>
<td>0</td>
<td></td>
<td>286</td>
<td>358</td>
<td>143</td>
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<tr>
<td>Q1</td>
<td></td>
<td>11.8</td>
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<tr>
<td>Q2</td>
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<td>99.8</td>
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<tr>
<td>Q4</td>
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<tr>
<td>Planned</td>
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<td>11.8</td>
<td>99.8</td>
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<tr>
<td>Actual</td>
<td>0</td>
<td></td>
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</tbody>
</table>

*Through August

**Sources:**

**Planned:** The total stimulus is $787B. It’s distributed here based on the statement that the 2009, 2010 and 2011 stimuli will be 2%, 2.5% and 1% of GDP.

**Actual:** The Economic Impact of the ARRA: First Quarterly Report, Sept. 10, 2009, Table 2, page 7.
Unemployment Rate With and Without the Recovery Plan

- September ’09
- October ’09
- May ’09

With Recovery Plan

Without Recovery Plan

Maroon dots are actual unemployment data.

Everything in blue was created by Obama’s economic team.

http://innocentbystanders.net
Figure 12. Outperforming Expectations and Stimulus, Full Sample

Actual Q2 GDP growth minus November forecast (percentage points)

Discretionary stimulus in 2009 (percent of GDP)

Sources: OECD; IMF; Brookings Institution; J.P.Morgan; CEA calculations.

Note: the regression line is (growth - forecast) = -2.6 + 1.95 * stimulus.
The coefficient on stimulus is significant at the 95% confidence level. The R-squared is 0.20.
Why are these men smiling?