Growth and Risk

How trade, borrowing, and overseas projects shape China's economy

TOT.C.10.2.C "rapid growth of the economy, government debt, dependence on exports, Belt and Road Initiative,"

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two ways China seeks growth, circle two risks linked to debt, and put a 1 beside a sentence about exports and a 2 beside a sentence about the Belt and Road Initiative. Use your marks to trace connections among growth, trade, and borrowing.

The Choices Behind China's Growth

1 At a port in southern China, cranes lift containers of electronics onto ships bound for overseas markets. Since the late 1970s, economic reforms, investment in factories and infrastructure, and access to world markets have helped China grow rapidly. Millions of people moved from rural areas to cities for work, and incomes rose. Exports helped factories sell far more than Chinese buyers alone could purchase. But China's economy also depends on spending within China, including consumer purchases and construction. Rapid growth brought new jobs and roads, yet it also raised a question: what happens when buyers abroad cut their orders?

2 Consider a city that borrows to build a rail station and an industrial park. The projects may attract businesses and support growth, but the loans must still be repaid. In China, local governments and companies tied to them have used borrowing to fund many such projects. If land sales slow or a project earns too little, repayment becomes harder. Government debt can limit how much officials can spend on other needs, such as schools or health services. The challenge is not simply to stop building. It is to decide whether new projects will produce enough benefits to justify their costs.

3 China's Belt and Road Initiative, launched in 2013, supports transport, energy, and other infrastructure projects in countries across Asia, Africa, and beyond. Chinese firms may help build a railway or port, and Chinese banks may provide loans. Better connections can create markets for Chinese goods and open routes for trade. They can also bring benefits to partner countries, but some borrowers may struggle with repayment, and projects differ widely. For China, overseas construction can keep firms busy when demand at home weakens. Yet lending abroad brings risk if borrowers cannot repay. The initiative connects China's search for growth with trade and debt decisions.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did access to overseas markets help China's economy grow?

2. Why could a drop in orders from buyers abroad cause problems for China's factories?

3. Why might a local government borrow for a new project, and why might it hesitate?

4. How can the Belt and Road Initiative support China's growth while creating a financial risk?

3 YOUR TURN

Your own words

Imagine you advise China's leaders during a drop in orders from overseas buyers. In four or five sentences, recommend two different steps, explain how each could support growth, and identify one debt-related risk to weigh. Refer to the Belt and Road Initiative in your reasoning.

ANSWER KEY

Growth and Risk

HIGH SCHOOL · TOT.C.10.2.C

PART 1 · READ AND MARK

Underline two ways China seeks growth, circle two risks linked to debt, and put a 1 beside a sentence about exports and a 2 beside a sentence about the Belt and Road Initiative. Use your marks to trace connections among growth, trade, and borrowing. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did access to overseas markets help China's economy grow?	**Overseas markets let Chinese factories sell more goods than Chinese buyers alone could purchase, supporting production and jobs.**
2	Why could a drop in orders from buyers abroad cause problems for China's factories?	**Factories rely in part on export sales, so fewer overseas orders could reduce their sales and the work they provide.**
3	Why might a local government borrow for a new project, and why might it hesitate?	**A project might attract businesses and support growth, but its loans could be hard to repay and could limit spending on other needs.**
4	How can the Belt and Road Initiative support China's growth while creating a financial risk?	**Overseas projects can keep Chinese firms busy and create trade opportunities, but Chinese lenders may lose money if borrowers cannot repay.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would offer temporary support for household purchases so businesses can make sales even when export orders fall. I would also choose Belt and Road Initiative projects with clear trade benefits, helping Chinese firms find customers abroad. Paying for the support or making new overseas loans could add debt or lead to losses if borrowers cannot repay. Officials should limit costs and review repayment plans before approving either step.

Accept other passage-supported explanations of growth benefits and debt risks. For Part 3, look for two distinct steps, a growth explanation for each, a debt-related risk, and a meaningful reference to the Belt and Road Initiative.