



Written by [Angeline Tan](#) on January 19, 2024

China's Population Falls for Second Year in 2023, Raising Long-term Growth Concerns

China's population fell for a second consecutive year in 2023, official data revealed on January 17.

[A record-low birth rate](#) has expedited a downturn that many suspect will have major long-term effects on the Chinese economy's growth potential.

China's National Bureau of Statistics said the total number of people in the country fell by 2.08 million, or 0.15 percent, to 1.409 billion in 2023.

That figure exceeded the population decline of 850,000 in 2022, which had been the first since 1961 during the Great Famine of the Mao Zedong era.

Meanwhile, total deaths in 2023 increased 6.6 percent to 11.1 million, with the death rate peaking since 1974 during the Cultural Revolution.

New births dropped 5.7 percent to 9.02 million, and the birth rate hit a record-low 6.39 births per 1,000 people, down from 6.77 in 2022.

China's birth rate has been falling for decades due to harsh government implementations of the one-child policy from 1980 to 2015 and the country's rapid urbanization during that period.

"As we have observed again and again from other low-fertility countries, fertility decline is often very difficult to reverse," University of Michigan demographer Zhou Yun said.

The population decline was "within expectation," Su Yue, principal economist at the Economist Intelligence Unit in Shanghai, told NBC News. A "rebound" in newborns is expected in 2024, she continued.

"Roughly a third of the children born in 2023 were conceived in 2022, when many were not able to reunite with their families due to the policies during the pandemic," she said. "All of this actually happened in 2022, but the impact was reflected in 2023."

Besides, youth unemployment hit record highs, wages for many white-collar workers dropped, and a crisis in the property sector, where more than two-thirds of household wealth is stored, escalated, discouraging couples to have children.

"In Chinese tradition, you start a career and then start a family," said Su. "The youth unemployment rate has an actual impact on the family. It delayed the process of people having children."

The recent data intensifies concerns that China's economic growth prospects are dropping due to fewer workers and consumers.

Besides, increasing costs of elder care and retirement benefits put more pressure on indebted local



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governments.

India surpassed China as [the world's most populous nation in 2023](#), based on UN estimates. The UN figures ignited more debate over the advantages of relocating some China-based supply chains to other markets, particularly amid the backdrop of rising geopolitical tensions between Beijing and Washington.

Long-term, UN experts predict that China's population will shrink by 109 million by 2050, more than triple the decline of their previous forecast in 2019.

China's population aged 60 and above hit a record of 296.97 million in 2023, about 21.1 percent of its total population. That figure was up from 280.04 million in 2022.

China's 2023 rate of 7.87 deaths per 1,000 people was up from 7.37 in 2022.

An aging population will impact China's economy. As Italy's experience shows, the old-age dependency ratio (the number of people over 64, divided by those aged 15-64) has a negative correlation with GDP growth, as does the median age and the proportion of people over 64.

China's aging population threatens to undermine key Beijing policy goals for the coming decade of bolstering domestic consumption and reining in ballooning debt, denting the economy's long-term growth prospects. China's retirement-age population (aged 60 and over) is scheduled to rise to more than 400 million by 2035, surpassing the entire population of the United States.

In the next 10 years, about 300 million people presently aged 50 to 60 — China's largest demographic group, equivalent to almost the entire U.S. population — are poised to leave the workforce at a time when pension budgets are already [stretched](#).

Household consumption's share of economic output in China is already one of the [lowest](#) in the world, while many provincial governments that are in charge of pensions and elderly care are mired [in debt](#) due to [decades](#) of credit-fueled investment-driven growth.

"China's age structure change will slow down economic growth," said Xiujian Peng, senior research fellow at the Centre of Policy Studies (CoPS) at Victoria University in Melbourne, Australia.

Additionally, the state-run Chinese Academy of Sciences sees the pension system running out of money by 2035.

Zhu Guoping, a 57-year-old farmer in northwestern Gansu province, said his annual income of about 20,000 yuan leaves his family with little savings.

He will receive a 160-yuan monthly pension in three years, once he turns 60.

"The money is definitely not enough," Zhu said. "Maybe our children can provide us with some support in the future."

Chinese authoritarian leader Xi Jinping said in 2023 that women should tell "good family tradition stories," adding that it was necessary to "actively cultivate a new culture of marriage and childbearing," which he linked to national development.

Local governments have declared various measures to encourage childbirth, including tax deductions, longer maternity leave, and housing subsidies.

However, many of the policies have not been implemented as a result of insufficient funding and a lack of motivation by local governments, said a Beijing policy institute, calling for a unified nationwide family



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subsidy scheme instead.

Beijing resident Wang Weidong, 36, who works at an internet tech company, said he and his wife were hesitant to have a second child.

“People will not have a child because of these incentives. The incentives are auxiliary, not the root cause. So I think it is harder to reverse this trend,” Wang said.

On Monday, China’s State Council declared plans to boost the country’s “silver economy,” encouraging both state-owned and private companies to develop goods and services customized to the needs of older people so they can “enjoy a happy old age.”

The “silver economy” comprises about seven trillion yuan (\$980 billion), or six percent of China’s GDP, and by 2035 it could grow to 30 trillion yuan (\$4.2 trillion), or about 10 percent, as per reports by state media.



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