

《沉浮于信贷刺激的洪流 中国企业借新债偿旧债》

China is awash in a credit stimulus that is bigger as a proportion of GDP than the one that Beijing unleashed to haul the economy out of trouble in the aftermath of the 2008/2009 financial crisis.

????????????????????(GDP)????????????????????2008/09????????????????????

But this time around, the deluge is failing to boost growth in an economy already saturated with liquidity, a new statistical study shows.

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The world's second-largest economy is currently using four units of credit to generate a single unit of GDP growth (see chart), according to data research by Brandon Emmerich, general manager for North America at Wind Information, a data provider.

????????(Wind Information)????????·????(Brandon Emmerich)????????????????4????????1????GDP????1??

The ratio of four to one — as measured by comparing total social financing (TSF) to nominal GDP on a quarterly basis — signifies that the debt efficiency of the Chinese economy is at its lowest point since early 2009.

4:1???—????????(TSF)???GDP????—????????2009????????

At that time, a sharp external shock clobbered the GDP growth rate, prompting Beijing to open the credit taps to resuscitate economic activity.

2009????????GDP????????

But while the economy responded smartly to the 2009 stimulus, this year it appears almost impervious to the extra spoonfuls of sugar.

????????2009????????

China expanded total domestic credit by Rmb12tn (\$1.84tn), or 34 per cent of gross domestic product, in the year to November 2009 — significantly less than the Rmb27.9tn, or 40 per cent of GDP, in the year to February this year, according to Bernstein Research.

????????(Bernstein Research)????????2009?11????????????????12????????1.84????????GDP?34%??????
2????????27.9????????GDP?40%????????

The difference in impact is clear in headline numbers. In 2009, GDP growth accelerated from 6.1 per cent in the first quarter to a full year rate of 9.2 per cent, but the year to February this year has been accompanied by a steady decline in headline growth.

????????????????2009?GDP????????6.1%????9.2%????????????

There appear to be several reasons behind the dwindling debt efficiency. Overcapacity and oversupply in several key traditional sectors, including steel, cement, copper, aluminium, metal ore mining, building materials and offline retail, has rendered these sectors unresponsive to credit infusions because they do not need to expand capacity or production.

????????????????——????????????????——????????????????????

Thus much of the new financing is not going into investment, but is rather being used to repay debts built up since the 2009/2010 stimulus.

????????????????2009/10????????

There are no official figures on how much new debt is being issued merely to repay existing borrowings, but Mr Emmerich has calculated from some 6,800 corporate bond prospectuses issued since 2010 that the proportion is growing fast.

????????????????2010????????6800????????

Of the total corporate bonds issued in 2015, issuers noted in some 44 per cent of prospectus that at least some of the proceeds would go to repay outstanding debts, up from 8 per cent of all bonds issued in 2014. In 2016 year to date, the proportion has remained high, at 42 per cent, as the second chart shows.

?2015????????44%????????2014?8%????2016????????42%?????

It was not possible to calculate how much of total proceeds were being used for repayments because the bond prospectuses only listed multiple uses without giving a breakdown on how funds would be apportioned. Nevertheless, the chart above shows an obvious surge in issuance for repayment purposes.

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The rationale behind these repayments is clear. Six cuts in China's interest rates since November 2014 have

boosted incentives for financial restructuring by replacing higher yielding debt with bonds that have significantly lower coupon rates. This activity appears set to help to shore up strained balance sheets to some extent in a corporate sector that has piled up debts equivalent to 160 per cent of GDP — one of the highest levels in the world.

????????????????2014?11????6??
????????????????????????????????GDP?160%??????????????

As returns on investment in the real economy remain under pressure, companies are finding far fewer attractive projects in the mainstay construction sector. Around 75 per cent of debt issued by corporations from 2010 to 2014 went towards construction project investments, but so far this year, the proportion was a mere 33 per cent, Mr Emmerich said.

??2010??2014????????????????75%????????????????
????????33%?

The same trend of prioritising debt repayment over investment is also evident in the municipal bond market, which was set up in 2014 to allow Chinese local governments to directly issue bonds.

??2014??????????????????????????????

Of an estimated Rmb14.3tn in local government debt issued since the beginning of 2015, little has gone into investment projects, Mr Emmerich said.

????????2015????????????14.3??

only 2.5 per cent of “muni” bonds issued were exclusively to generate funds for investment projects (see chart). A “mix” category, in which proceeds went both toward investment and to repaying debts, accounted for 41 per cent, according to Wind Information calculations. Funds raised through the issuance of 55.7 per cent of bonds went exclusively to repay existing debts of various sorts, the Wind data show.

??2.5%?“?”????????????????????4?????????????“?”????????????????????41%????????55.7%????????
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